

# Mineral Revenue Collections

January - June 2000



Photo courtesy of Texaco

# **Mineral Revenue Collections**

## **January - June 2000**

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## Executive Summary

Revenues from mineral leases on Federal and American Indian lands jumped 61.4 percent, or nearly \$1.2 billion, through the second quarter of Calendar Year (CY) 2000, in comparison with the same period in CY 1999 (tables 3 and 4, and figure 2). The increase was primarily attributed to higher oil and gas prices, additional bonus collections from offshore competitive oil and gas lease sales, and a higher volume of oil and gas settlement payments.

Federal offshore revenues rose \$901.1 million, or 67.4 percent, during the period. Offshore royalties were up \$598.4 million; bonus collections jumped \$192.4 million; and other revenues increased \$111 million (tables 3 and 4, and figure 7). Royalties are higher in 2000 due to rising oil and gas prices. The increase in prices has further caused a resurgent interest in offshore competitive lease sales. The rise in other revenue collections reflects a higher volume of settlement payments.

Federal onshore revenues climbed \$244.5 million, or 48 percent, during the same period. A \$196 million increase in royalties was augmented by a \$45.1 million increase in other revenues as a result of settlement payments (tables 3 and 4, and figure 10).

Revenues from American Indian lands rose \$38.7 million, or 47.7 percent, during the period (tables 3 and 4, and figure 13). Increases in oil and gas royalties were again augmented by additional collections in other revenues from settlement payments.

### **Coal Summary**

The U.S. Department of Energy (DOE) reports that the electric utility sector consumes over 90 percent of all coal in the United States. Coal demand is expected to continue to grow in 2000 as a result of higher oil and gas prices and declines in hydroelectric and nuclear-fired electricity generation. Phase II emission requirements in the Clean Air Act Amendments of

1990 have led many utilities to switch to low sulfur coal, primarily produced in the Powder River Basin.

Federal and American Indian coal sales volume rose 1.8 percent, or 4 million short tons, while coal royalties increased \$365,307 in the first 6 months of 2000 in comparison with the first 6 months of 1999 (tables 3 and 4, and figure 3).

### **Natural Gas Summary**

The DOE reports that underground working gas storage levels are currently 18 percent below corresponding inventory levels one year ago. Hot summer weather in the Rocky Mountain and southwestern parts of the country has placed demands on gas-generated electricity for cooling which has reduced the gas storage injection rate. Natural gas that would normally be added to storage has been used, in part, to power air conditioners. Lower gas prices in recent years have reduced gas exploration and drilling. Increased demand coupled with lower supply has caused spot wellhead prices to dramatically increase over the past year.

Federal and American Indian gas royalties were up 34.7 percent, or \$336.8 million, in the first 6 months of 2000 in contrast with the first 6 months in 1999 (tables 3 and 4, and figure 3).

### **Oil Summary**

The Organization of Petroleum Exporting Countries (OPEC) reduced oil production in the last year in an effort to stimulate prices. Federal and American Indian oil royalties nearly doubled from \$442.8 million in the first half of 1999 to \$874.9 million in the first half of 2000 (tables 3 and 4, and figure 3). The cartel and Saudi Arabia, acting independent of OPEC, have recently increased production. The DOE believes domestic oil prices may subsequently fall to \$27 per barrel by the end of the year.



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# Notice

This report is designed to provide a general record of collection activity during the period. Some information in this report necessarily includes estimated data that may change after publication. The report is subsequently not intended to be a final accounting of collections or disbursements. Detailed disbursement information is available to all States through explanation of payment reports mailed monthly to each State office. Final collection and disbursement information is published annually in *Mineral Revenues*.

Selected sales volume and sales value data in this report have not been adjusted to resolve distortions created by payors reporting on communitization or unitization agreements, nonstandard leases and agreements, and prior-period adjustments. Sales volume and sales value information in *Mineral Revenues* is adjusted to accommodate these types of distortions. Time and resource constraints preclude adjustments in this quarterly report series.

American Indian nonstandard lease and agreement collections are not available in the first three quarters of the year. These collections are subsequently added into the fourth quarter of each year in this report. Complete American Indian nonstandard lease and agreement collections are published in *Mineral Revenues*.

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## About This Report

The Mineral Revenue Collections report provides information addressing royalty, rent, bonus, and other revenue receipts from Federal and American Indian leases. The Minerals Management Service (MMS) Royalty Management Program distributes the report on a quarterly basis to Congressional, Federal, State, American Indian, and industry representatives.

Some information in this report necessarily includes estimated data that may change after publication. Numbers in parentheses may include current year collections and credits, and prior-year adjustments.

### ***Mineral Lease Revenues***

The report addresses four types of lease revenues:

- **Bonuses** — Leases issued in areas known or believed to contain minerals are awarded through a competitive bidding process. Bonuses represent the cash amount successfully bid to win the rights to a lease.
- **Rents** — A rent schedule is established at the time a lease is issued. Rents are annual payments, normally a fixed dollar amount per acre, required to preserve the rights to a lease while the lease is not in production.
- **Minimum Royalties** — A Federal lease may further contain a minimum royalty provision. Minimum royalty is the annual payment, on a per acre basis, required to maintain the rights to a lease until production exceeds a minimum value. Once annual production exceeds the minimum value, minimum royalty payments are no longer required.

Minimum royalties are included under the entry "Other Revenues" in this report. "Other Revenues" includes settlement payments, gas storage fees, estimated payments, and recoupments in addition to minimum royalties.

- **Royalties** — A royalty is due when production begins. Royalty payments represent a stated share or percentage of the amount or the value of the mineral produced. The royalty may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-scale royalty rate is based on average production and applies to all production from the lease.

### ***Sales Volume and Sales Value***

Sales volume represents the volume of a commodity reported sold during the year. Sales value represents the dollar value of the commodity reported sold during the year. Selected sales volume and sales value figures in the annual ***Mineral Revenues*** report are adjusted to resolve distortions that may be created by communitization and unitization agreements, nonstandard leases and agreements, and prior-period adjustments. Time and resource constraints preclude a similar adjustment of sales volume and sales value in this quarterly report series.

### ***Revenue Collections and Disbursements***

Revenues collected from mineral leases on Federal lands are distributed to States, to the U.S. Department of the Treasury (Treasury), and to a number of designated special-purpose accounts administered by Federal agencies, depending on the land category and the applicable law involved. The Bureau of Indian Affairs (BIA) disburses revenues collected from American Indian leases to the appropriate American Indian Tribes and allotted tract mineral owners.

Royalty payments are generally due on the last day of the month following the month of production, unless that day falls on a weekend or holiday. Payments are then due on the first business day of the following month. Since revenues collected in one month are

disbursed in the following month, collection totals in a given year will not equal disbursement totals for the same year.

Since 1983, MMS has generally disbursed mineral revenues derived from leases on public domain lands and shared with the States in the month following receipt of the payment. Disbursements are made under the provisions of section 104 of the Federal Oil and Gas Royalty Management Act of 1982 which amended the revenue disbursement provisions of the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 191.

The MMS deposits American Indian revenues in accounts administered by the Office of Trust Funds Management (OTFM) where they are invested and subsequently distributed to American Indian Tribes and individual American Indian lessors by BIA.

The MMS administers mineral leases from different land categories. Legislation and regulations govern formulas for the disbursement of revenues from these leases.

- **Offshore Lands** — Royalty, rent, and bonus revenues from Federal offshore mineral leases on the Outer Continental Shelf (OCS) are deposited to the General Fund of the Treasury through miscellaneous receipts. Under other applicable laws, specified amounts from total offshore revenues are transferred to the Land and Water Conservation Fund (LWCF). The LWCF, administered by the National Park Service, provides revenues for the Federal Government, State governments, and local governments to purchase parks and recreation areas and to plan, acquire, and develop land and water resources for recreational use. Offshore mineral leasing provides approximately 70-90 percent of LWCF revenues.

The National Historic Preservation Fund (NHPF), administered by the National Park Service, is designed to expand and accelerate historic preservation plans and activities. The annual funding authorization of \$150 million to the NHPF expired at the end of Fiscal Year (FY) 1997. A transfer of \$150 million was erroneously made in FY 1998 and recovered in FY 1999. No further transfers to the NHPF will be made.

Section 8(g) of the Outer Continental Shelf Lands Act (OCSLA) Amendments of 1978 provided that the States were to receive a "fair and equitable" division of revenues generated from the leasing of lands within 3 miles of the seaward boundary of a coastal State containing one or more oil and gas pools or fields underlying both the OCS and lands subject to the jurisdiction of the State.

The States and the Federal Government, however, could not reach agreement concerning the meaning of the term "fair and equitable." Revenues generated within the 3-mile boundary were placed into an escrow fund beginning in August 1979. Revenues from the Beaufort Sea in Alaska were placed into a second escrow fund under section 7, beginning in December 1979.

Congress resolved the dispute over the meaning of "fair and equitable" in the OCSLA Amendments of 1985, Public Law 99-272. The law provides for the following distribution of section 8(g) revenues to the States:

- Disbursement of escrow funds in FY 1986-87;
- A series of annual settlement payments disbursed to the States over a 15-year period from FY 1987 to FY 2001; and
- Recurring annual disbursements of 27 percent of royalty, rent, and bonus revenues received within each affected State's 8(g) zone.

Congress passed a second law, Public Law 100-202, permitting distribution of section 7 Beaufort Sea escrow funds to Alaska in FY 1988.

- **Public Domain Lands** — The majority of Federal lands are in the public domain. Under section 35 of MLA, States other than Alaska receive 50 percent of all royalties, rents, and bonuses collected from any public domain leases located within their respective boundaries.

Forty percent of mineral revenues is deposited in the Reclamation Fund administered by the Bureau of Reclamation. The Reclamation Fund provides revenues to build, maintain, and operate water and

associated power projects on arid and semiarid Western lands. Federal onshore mineral leasing provides approximately 40-50 percent of Reclamation Fund revenues.

Ten percent of mineral revenues from public domain leases is directed into the General Fund of the Treasury through miscellaneous receipts.

Alaska receives 90 percent of all royalties, rents, and bonuses paid for mineral production on public domain leases in Alaska. The State also receives 50 percent of all mineral revenues generated from the National Petroleum Reserve Alaska.

- **Acquired Lands** — The MMS collects royalties, rents, and bonuses from leases issued under the Mineral Leasing Act for Acquired Lands of 1947, 30 U.S.C. 351 et seq., on behalf of a number of Federal agencies. Revenues are disbursed according to laws applicable to the lands.

Seventy-five percent of mineral receipts from leases on acquired lands within a national forest administered by the U.S. Department of Agriculture is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the State where the lease is located.

Seventy-five percent of mineral revenues from leases on acquired lands within a national grassland administered by the U.S. Department of Agriculture is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the county where the lease is located.

Seventy-five percent of mineral receipts from acquired Flood Control Act lands administered by the U.S. Army Corps of Engineers is distributed to the State in which the lease is located. The remaining 25 percent is distributed to the General Fund of the Treasury.

Mineral revenues derived from leases on acquired National Wildlife Refuge lands are shared with the county in which the lease is located, according to one of three alternative formulas prescribed by

statute. The remainder is deposited in the General Fund of the Treasury.

All mineral receipts generated from leases on acquired reclamation project lands are paid to the Reclamation Fund.

Mineral revenues collected from leases on acquired military lands issued before 1981 are deposited in the General Fund of the Treasury. Revenues collected from mineral leases on acquired military lands issued beginning January 1, 1981, are disbursed in the same manner as revenues from public domain leases.

Receipts from other acquired lands are deposited in a general Treasury account.

- **American Indian Lands** — The BIA collects bonuses and rents from nonproducing leases. The MMS disburses mineral royalties and rents from producing American Indian Tribal and allotted leases to OTFM. The BIA subsequently makes disbursements to Tribes and to individual American Indian lessors, with the following exceptions:
  - Oil and gas payments to four Tribes—the Jicarilla Apache, the Blackfeet, the Navajo Nation, and the Southern Ute—are made directly by the lease payor to financial institutions contracted by the Tribes to receive their mineral payments.
  - The BIA has authorized payors to make direct payments to selected individual American Indian lessors.
  - The Osage Nation manages all mineral leases on its Tribal lands and collects its own revenues.
  - Solid mineral royalties are paid directly to the applicable Tribes or to a designated BIA office.
- **Alaska Native Lands** — Payments to the Cook Inlet Region, Inc., in Alaska on behalf of Alaskan Natives for the interests the Region holds in several former Federal leases, are made directly by lease payors to the corporation.

## Products and Units of Measurement

Product	Unit of Measurement
Amethyst .....	Grams
Carbon Dioxide .....	Mcf (thousand cubic feet)
Coal .....	Short tons (2,000 pounds)
Copper .....	Short tons
Garnet Gem .....	Kilograms
Gas .....	Mcf
Gas Plant Products .....	Gallons
Geothermal and Heated Water Sources .....	Millions of British thermal units
Helium .....	Mcf
Nitrogen .....	Mcf
Oil .....	Barrels (42 U.S. gallons)
Phosphate .....	Short tons
Potash .....	Short tons
Quartz Crystals .....	Pounds
Sand and Gravel .....	Short tons
Sodium .....	Short tons
Sulfur .....	Short tons
All Other Solid Minerals .....	Short tons

NOTE: Sulfur is reported as either a fluid or solid mineral based on the method of extraction. Fluid mineral sulfur is produced by extracting the product from the oil and gas stream. All onshore sulfur and a limited amount of offshore sulfur are currently produced from the oil and gas stream. Solid mineral sulfur is extracted using the Frasch process. The majority of offshore sulfur is produced using the Frasch mining method.

Copper reported in pounds and sulfur reported in long tons have been converted to short tons in this report.

Sodium product figures include sodium borate and carbonate compounds.

# National Summary



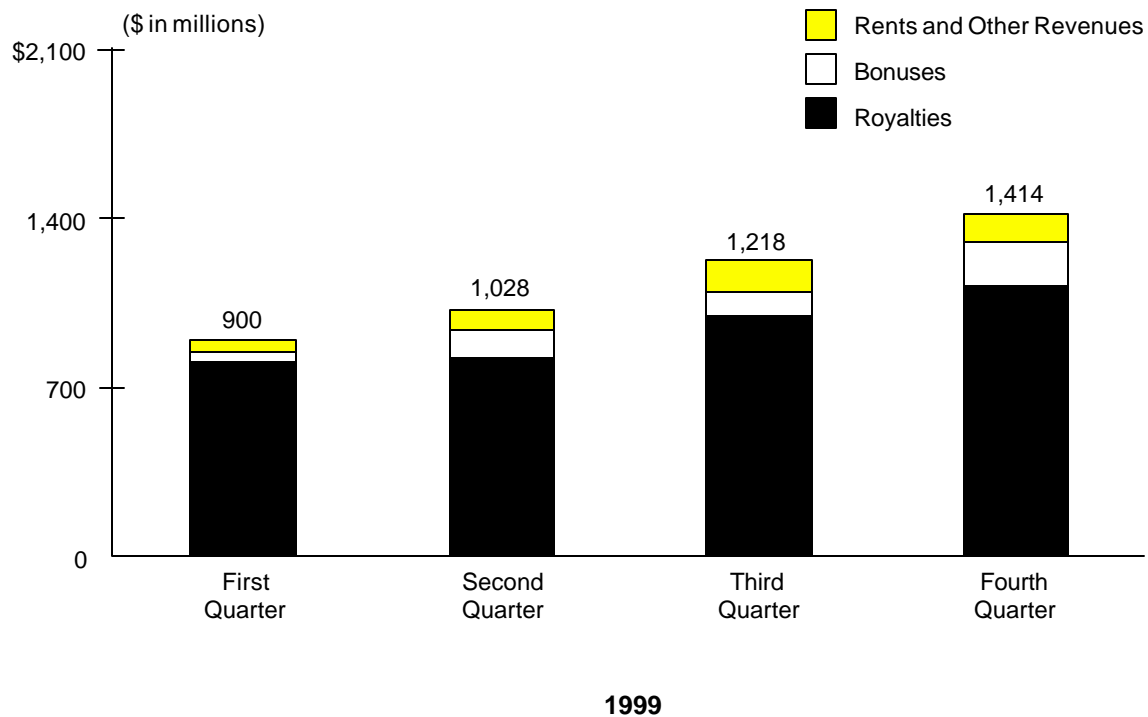
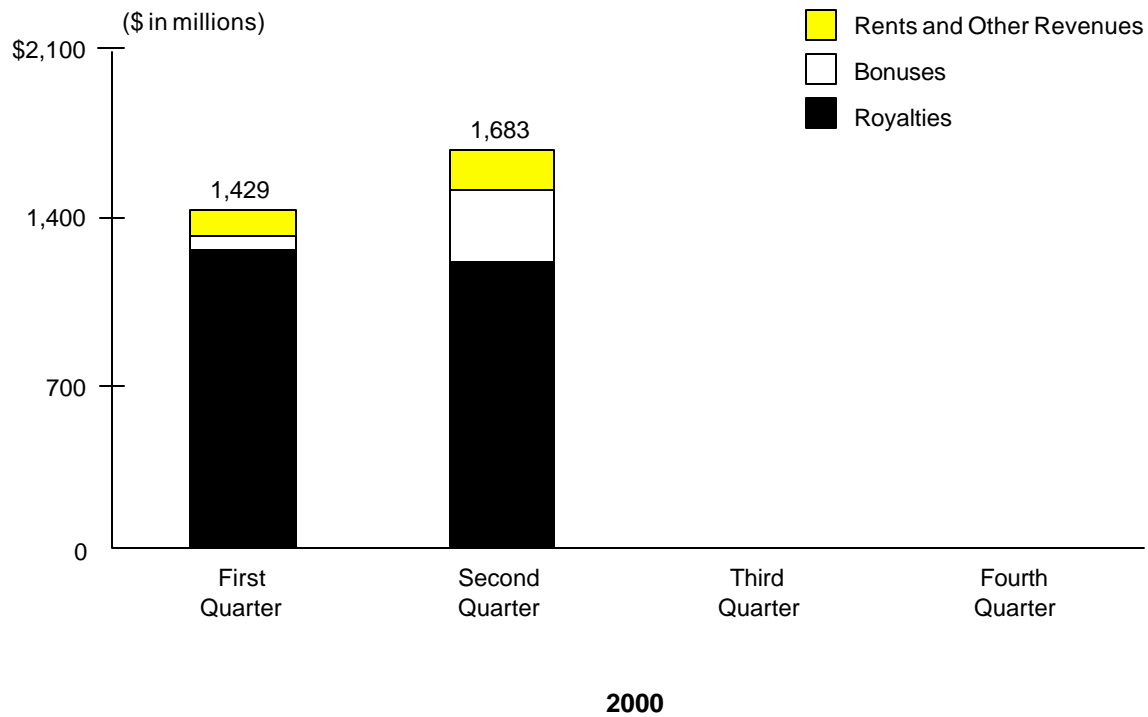
Photo courtesy of Corel Corporation

**Table 1. Revenues from Federal and American Indian mineral leases, by quarter, Calendar Year 2000**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 96,915,480	\$ 93,660,218	\$ ---	\$ ---	\$ 190,575,698
Gas Royalties . . . .	690,091,935	618,028,681	---	---	1,308,120,616
Oil Royalties . . . . .	426,101,536	448,791,466	---	---	874,893,002
Other Royalties . . .	<u>59,683,814</u>	<u>61,538,087</u>	<u>---</u>	<u>---</u>	<u>121,221,901</u>
Royalty Subtotal	\$ 1,272,792,765	\$ 1,222,018,452	\$ ---	\$ ---	\$ 2,494,811,217
Rents . . . . .	\$ 19,717,787	\$ 77,377,724	\$ ---	\$ ---	\$ 97,095,511
Bonuses . . . . .	\$ 57,943,425	\$ 303,387,055	\$ ---	\$ ---	\$ 361,330,480
Other Revenues . .	<u>\$ 79,039,846</u>	<u>\$ 79,951,107</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 158,990,953</u>
<b>Total . . . . .</b>	<b>\$ 1,429,493,823</b>	<b>\$ 1,682,734,338</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 3,112,228,161</b>

**Table 2. Revenues from Federal and American Indian mineral leases, by quarter, Calendar Year 1999**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 93,558,806	\$ 96,651,585	\$ 82,210,517	\$ 99,971,756	\$ 372,392,664
Gas Royalties . . . .	509,179,444	462,096,130	585,435,172	626,602,276	2,183,313,022
Oil Royalties . . . . .	196,015,364	246,788,504	302,017,421	349,513,541	1,094,334,830
Other Royalties . . .	<u>26,707,329</u>	<u>33,583,173</u>	<u>41,492,494</u>	<u>52,238,756</u>	<u>154,021,752</u>
Royalty Subtotal	\$ 825,460,943	\$ 839,119,392	\$ 1,011,155,604	\$ 1,128,326,329	\$ 3,804,062,268
Rents . . . . .	\$ 20,997,029	\$ 75,652,980	\$ 86,328,343	\$ 66,017,269	\$ 248,995,621
Bonuses . . . . .	\$ 55,578,204	\$ 111,238,362	\$ 94,701,926	\$ 177,798,231	\$ 439,316,723
Other Revenues . .	<u>\$ (2,155,814)</u>	<u>\$ 1,996,396</u>	<u>\$ 26,082,337</u>	<u>\$ 41,894,686</u>	<u>\$ 67,817,605</u>
<b>Total . . . . .</b>	<b>\$ 899,880,362</b>	<b>\$ 1,028,007,130</b>	<b>\$ 1,218,268,210</b>	<b>\$ 1,414,036,515</b>	<b>\$ 4,560,192,217</b>



**Figure 1. Revenues by source from Federal and American Indian mineral leases, by quarter, Calendar Years 1999 and 2000**

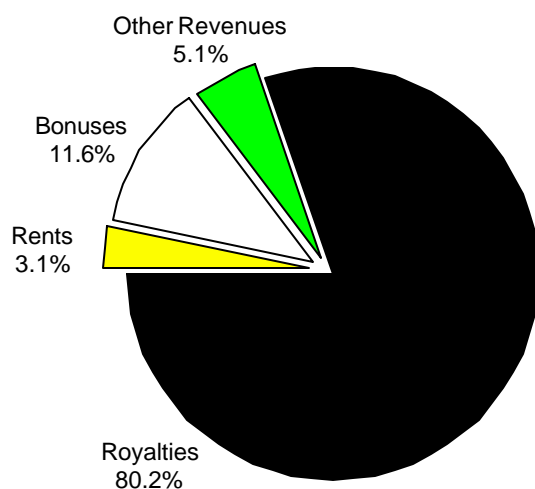


**Table 3. Revenues from Federal and American Indian mineral leases, January - June, 2000**

	Federal Offshore	Federal Onshore	American Indian	Total
Coal Royalties . . . . .	\$ ---	\$160,143,072	\$ 30,432,626	\$ 190,575,698
Gas Royalties . . . . .	962,290,452	296,658,794	49,171,370	1,308,120,616
Oil Royalties . . . . .	724,096,152	125,971,612	24,825,238	874,893,002
Other Royalties . . . . .	<u>67,315,444</u>	<u>46,584,330</u>	<u>7,322,127</u>	<u>121,221,901</u>
Royalty Subtotal . .	\$ 1,753,702,048	\$629,357,808	\$111,751,361	\$2,494,811,217
Rents . . . . .	\$ 77,016,807	\$ 19,705,018	\$ 373,686	\$ 97,095,511
Bonuses . . . . .	\$ 292,771,205	\$ 68,559,275	\$ ---	\$ 361,330,480
Other Revenues . . . .	<u>\$ 115,371,857</u>	<u>\$ 35,836,677</u>	<u>\$ 7,782,419</u>	<u>\$ 158,990,953</u>
<b>Total . . . . .</b>	<b>\$ 2,238,861,917</b>	<b>\$753,458,778</b>	<b>\$119,907,466</b>	<b>\$3,112,228,161</b>

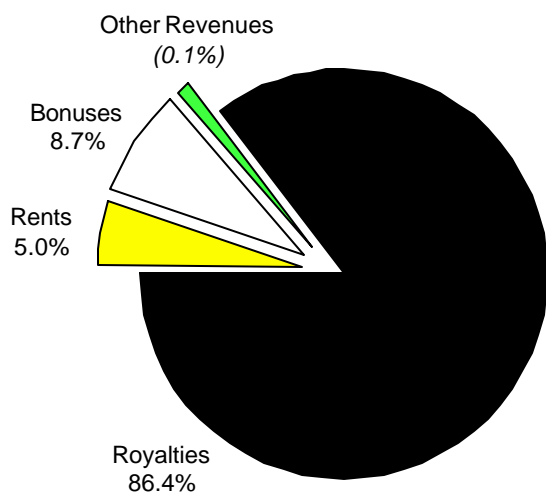
**Table 4. Revenues from Federal and American Indian mineral leases, January - June, 1999**

	Federal Offshore	Federal Onshore	American Indian	Total
Coal Royalties . . . . .	\$ ---	\$157,718,949	\$ 32,491,442	\$ 190,210,391
Gas Royalties . . . . .	755,816,784	184,713,069	30,745,721	971,275,574
Oil Royalties . . . . .	379,099,867	55,123,073	8,580,928	442,803,868
Other Royalties . . . . .	<u>20,406,305</u>	<u>35,820,322</u>	<u>4,063,875</u>	<u>60,290,502</u>
Royalty Subtotal . .	\$ 1,155,322,956	\$433,375,413	\$ 75,881,966	\$1,664,580,335
Rents . . . . .	\$ 77,743,477	\$ 18,403,361	\$ 503,171	\$ 96,650,009
Bonuses . . . . .	\$ 100,335,209	\$ 66,481,357	\$ ---	\$ 166,816,566
Other Revenues . . . .	<u>\$ 4,341,970</u>	<u>\$ (9,300,976)</u>	<u>\$ 4,799,588</u>	<u>\$ (159,418)</u>
<b>Total . . . . .</b>	<b>\$ 1,337,743,612</b>	<b>\$508,959,155</b>	<b>\$ 81,184,725</b>	<b>\$1,927,887,492</b>



Royalties	\$2,494,811,217
Rents	97,095,511
Bonuses	361,330,480
Other Revenues	158,990,953
<b>Total</b>	<b>\$3,112,228,161</b>

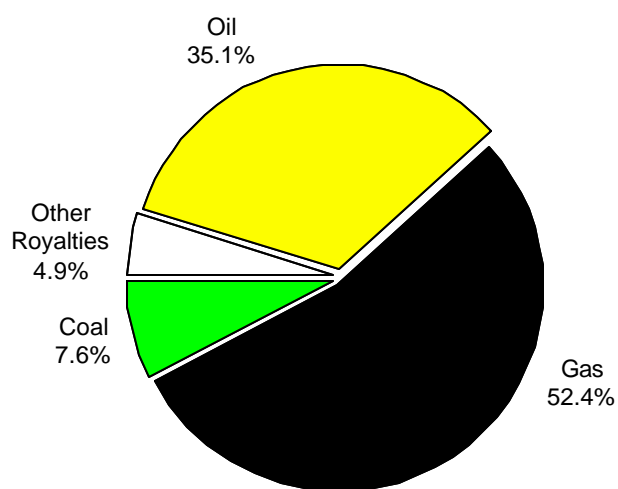
January - June, 2000



Royalties	\$1,664,580,335
Rents	96,650,009
Bonuses	166,816,566
Other Revenues	(159,418)
<b>Total</b>	<b>\$1,927,887,492</b>

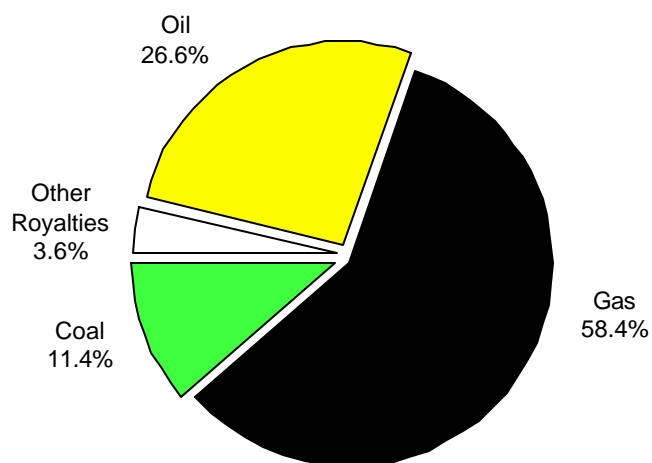
January - June, 1999

**Figure 2. Revenues from Federal and American Indian mineral leases by source, January - June, 1999 and 2000**



Coal	\$ 190,575,698
Gas	1,308,120,616
Oil	874,893,002
Other Royalties	121,221,901
<b>Total</b>	<b>\$2,494,811,217</b>

**January - June, 2000**



Coal	\$ 190,210,391
Gas	971,275,574
Oil	442,803,868
Other Royalties	60,290,502
<b>Total</b>	<b>\$1,664,580,335</b>

**January - June, 1999**

**Figure 3. Royalties from Federal and American Indian mineral leases by commodity, January - June, 1999 and 2000**

# Federal Offshore Mineral Revenues



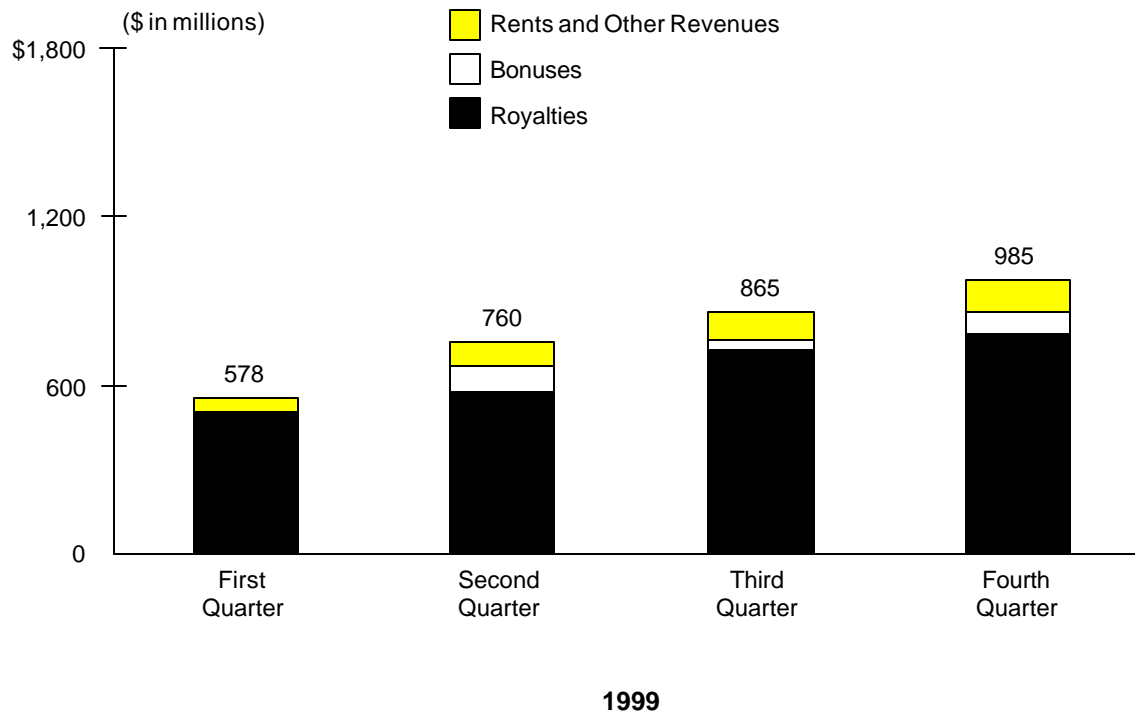
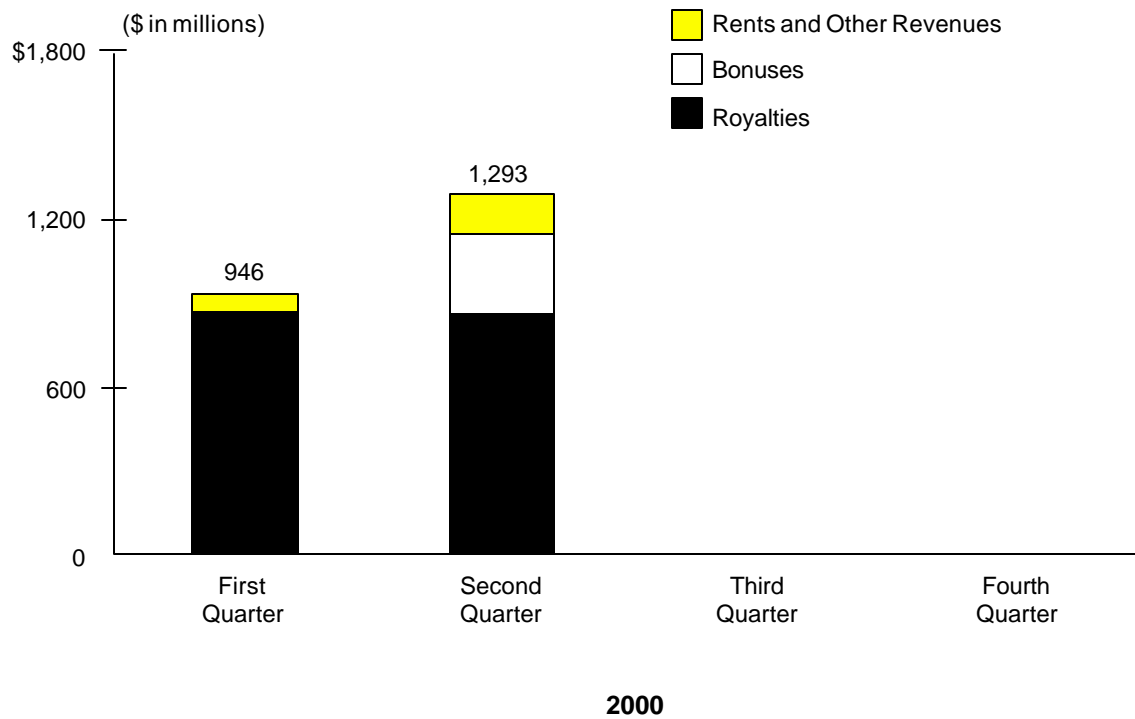
Photo courtesy of Shell Oil Company

**Table 5. Revenues from Federal offshore mineral leases, by quarter, Calendar Year 2000**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gas Royalties . . . .	506,726,092	455,564,360	---	---	962,290,452
Oil Royalties . . . . .	345,303,946	378,792,206	---	---	724,096,152
Other Royalties . . .	<u>32,413,773</u>	<u>34,901,671</u>	<u>---</u>	<u>---</u>	<u>67,315,444</u>
Royalty Subtotal .	\$884,443,811	\$ 869,258,237	\$ ---	\$ ---	\$1,753,702,048
Rents . . . . .	\$ 8,903,612	\$ 68,113,195	\$ ---	\$ ---	\$ 77,016,807
Bonuses . . . . .	\$ ---	\$ 292,771,205	\$ ---	\$ ---	\$ 292,771,205
Other Revenues . .	<u>\$ 52,307,193</u>	<u>\$ 63,064,664</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 115,371,857</u>
<b>Total . . . . .</b>	<b>\$945,654,616</b>	<b>\$1,293,207,301</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$2,238,861,917</b>

**Table 6. Revenues from Federal offshore mineral leases, by quarter, Calendar Year 1999**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gas Royalties . . . .	393,695,283	362,121,501	457,043,164	476,228,885	1,689,088,833
Oil Royalties . . . . .	165,183,174	213,916,693	251,841,112	291,712,417	922,653,396
Other Royalties . . .	<u>6,340,156</u>	<u>14,066,149</u>	<u>21,064,248</u>	<u>24,903,287</u>	<u>66,373,840</u>
Royalty Subtotal .	\$565,218,613	\$ 590,104,343	\$729,948,524	\$792,844,589	\$2,678,116,069
Rents . . . . .	\$ 11,271,864	\$ 66,471,613	\$ 54,720,053	\$ 74,989,424	\$ 207,452,954
Bonuses . . . . .	\$ ---	\$ 100,335,209	\$ 58,774,616	\$ 90,147,805	\$ 249,257,630
Other Revenues . .	<u>\$ 1,615,619</u>	<u>\$ 2,726,351</u>	<u>\$ 21,781,979</u>	<u>\$ 27,437,853</u>	<u>\$ 53,561,802</u>
<b>Total . . . . .</b>	<b>\$578,106,096</b>	<b>\$ 759,637,516</b>	<b>\$865,225,172</b>	<b>\$985,419,671</b>	<b>\$3,188,388,455</b>



**Figure 4. Revenues by source from Federal offshore mineral leases, by quarter, Calendar Years 1999 and 2000**

**Table 7. Summary of royalties, rents, bonuses, and other revenues from Federal offshore mineral leases, January - June, 2000**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Gas</b>			
Alabama .....	48,362,355	\$ 128,633,320	\$ 20,797,655
California .....	24,749,868	64,844,654	9,849,903
Gulf of Mexico .....	21,486,172	55,149,713	2,885,261
Louisiana .....	1,861,264,206	4,875,737,214	740,098,490
Mississippi .....	10,284,702	25,452,628	4,216,570
Texas .....	<u>445,307,300</u>	<u>1,120,938,489</u>	<u>184,442,573</u>
Subtotal .....	2,411,454,603	\$ 6,270,756,018	\$ 962,290,452
<b>Gas Lost</b>			
Louisiana .....	26,129	\$ 64,334	\$ 8,165
<b>Gas Plant Products</b>			
Alabama .....	49,214,102	\$ 18,432,548	\$ 2,500,994
California .....	20,145,784	9,686,067	640,249
Gulf of Mexico .....	---	---	---
Louisiana .....	1,065,348,352	479,973,662	59,575,482
Texas .....	<u>33,788,986</u>	<u>15,474,463</u>	<u>1,968,634</u>
Subtotal .....	1,168,497,224	\$ 523,566,740	\$ 64,685,359
<b>Oil</b>			
Alabama .....	44,053	\$ 324,230	\$ 53,888
California .....	32,799,955	344,727,523	45,228,251
Gulf of Mexico .....	11,519	180,278	28,574
Louisiana .....	255,060,079	4,504,469,396	645,665,623
Mississippi .....	---	---	---
Texas .....	<u>8,661,271</u>	<u>204,574,597</u>	<u>33,119,816</u>
Subtotal .....	296,576,877	\$ 5,054,276,024	\$ 724,096,152
<b>Sulfur</b>			
Alabama .....	13,380	\$ 452,902	\$ 27,310
California .....	(165)	(342)	(27)
Louisiana .....	<u>777,454</u>	<u>38,218,405</u>	<u>2,594,637</u>
Subtotal .....	790,669	\$ 38,670,965	\$ 2,621,920
<b>Royalty Total .....</b>		<b>\$11,887,334,081</b>	<b>\$1,753,702,048</b>

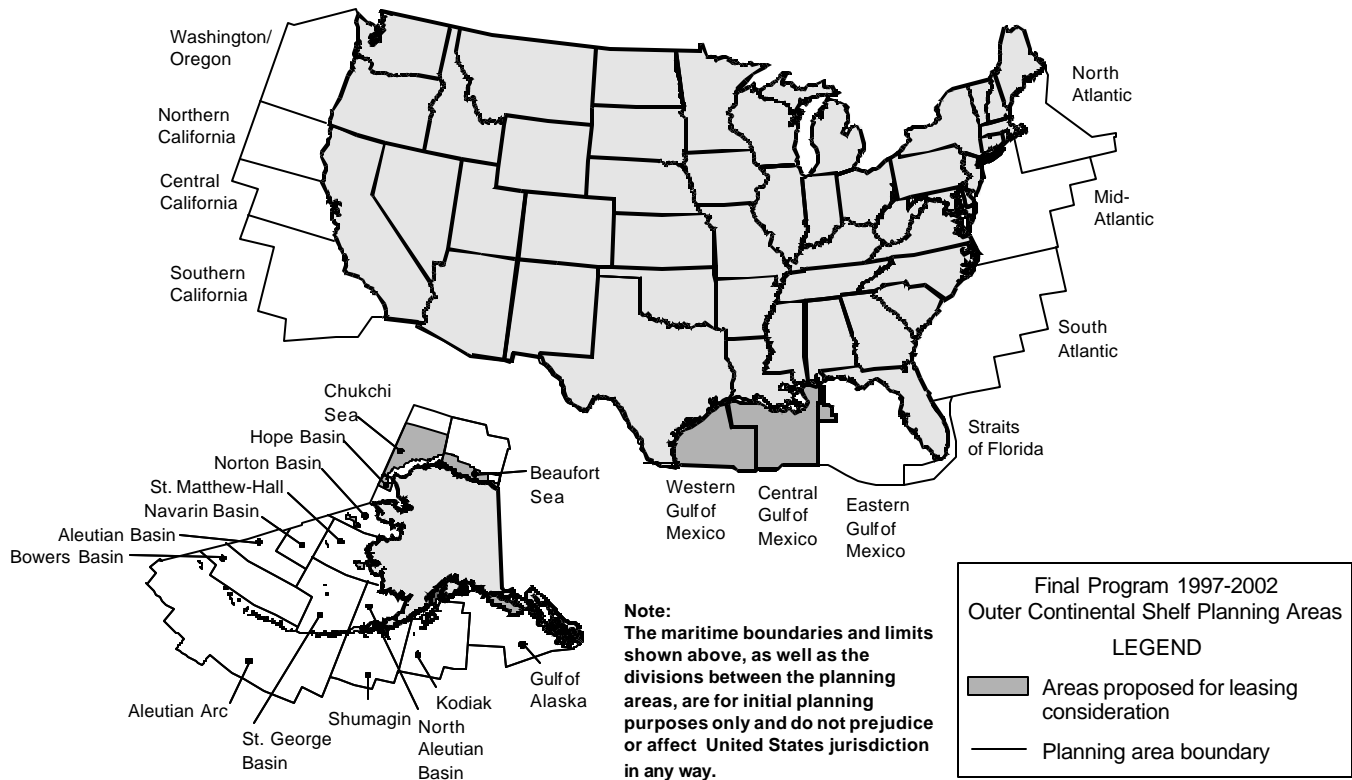
**Table 7. Summary of royalties, rents, bonuses, and other revenues from Federal offshore mineral leases, January - June 2000 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Rents</b>			
Alabama			\$ 76,270
Alaska			162,526
California			214,512
Florida			21,588
Gulf of Mexico			51,316,610
Louisiana			22,471,106
Mississippi			123,040
New York			---
North Carolina			---
South Carolina			---
Texas			2,631,155
<b>Rents Total</b>			<b>\$ 77,016,807</b>
<b>Bonuses</b>			
Alabama			\$ ---
Alaska			---
Gulf of Mexico			209,140,986
Louisiana			83,630,219
Mississippi			---
Texas			---
<b>Bonuses Total</b>			<b>\$ 292,771,205</b>
<b>Other Revenues</b>			
Alabama			\$ (36,306)
Alaska			269
California			8,035,831
Gulf of Mexico			500,515
Louisiana			98,102,302
Mississippi			42,786
Texas			8,726,460
<b>Other Revenues Total</b>			<b>\$ 115,371,857</b>
<b>Total Revenues</b>			<b>\$2,238,861,917</b>

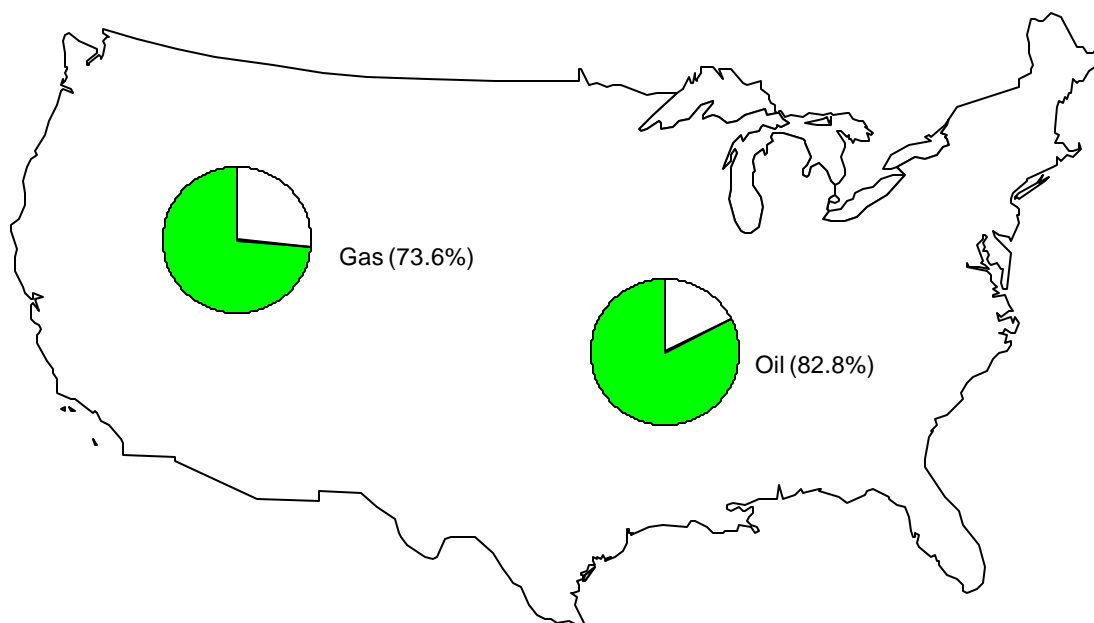
NOTE: Boundaries for offshore State areas have not been legally defined beyond the area identified in section 8(g) of the Outer Continental Shelf Lands Act Amendments of 1985, Public Law 99-272. Beginning in 1996, revenues from new offshore leases issued in the Gulf of Mexico employ American Petroleum Institute (API) Standard State Codes for offshore lands. These include both State areas identified by API and a general entry, "Gulf of Mexico," for areas beyond the standard API State areas. Revenues from leases issued before 1996 that were previously identified with a particular State area continue to be listed under that State in this report.

Royalty collections from oil from offshore lands in the Gulf of Mexico began declining in May of Calendar Year (CY) 1999. The Royalty Management Program (RMP) is taking oil royalties "in kind" (a volume of the commodity) rather than "in value" (cash) to replenish the Department of Energy Strategic Petroleum Reserve. The RMP will take approximately 14 million barrels "in-kind" in CY 1999 and an additional 14 million barrels in the first half of CY 2000. This will equate to approximately 100 million barrels in sales volume in CY 1999 and an additional 100 million barrels in sales volume in the first half of CY 2000. The payors report sales volume for the leases; however, the payors do not report sales value or royalty value for the leases. This materially reduces oil sales value and oil royalty value in the table for affected States and areas in the Gulf of Mexico.

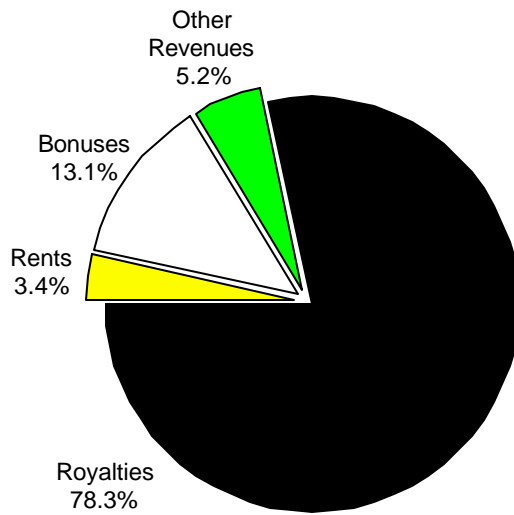




**Figure 5. Map of Federal offshore regions in current Federal offshore oil and gas leasing program**

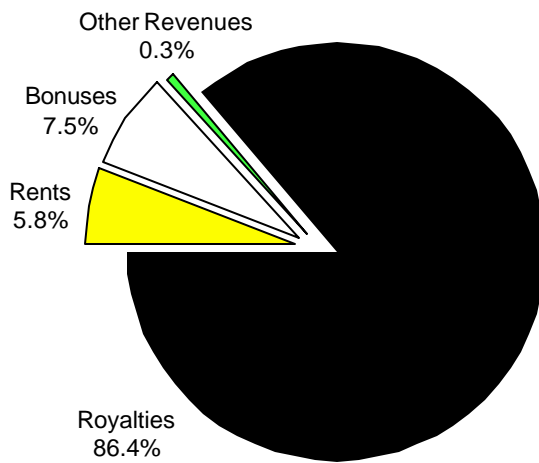


**Figure 6. Federal offshore royalties as a percentage of total Federal and American Indian royalties from oil and gas, January - June, 2000**



Royalties	\$1,753,702,048
Rents	77,016,807
Bonuses	292,771,205
Other Revenues	115,371,857
Total	\$2,238,861,917

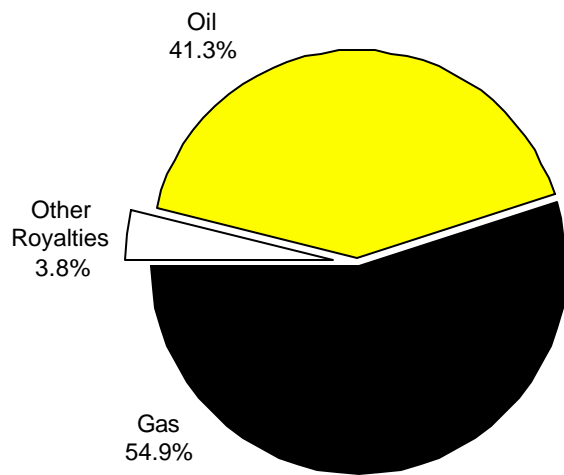
January - June, 2000



Royalties	\$1,155,322,956
Rents	77,743,477
Bonuses	100,335,209
Other Revenues	4,341,970
Total	\$1,337,743,612

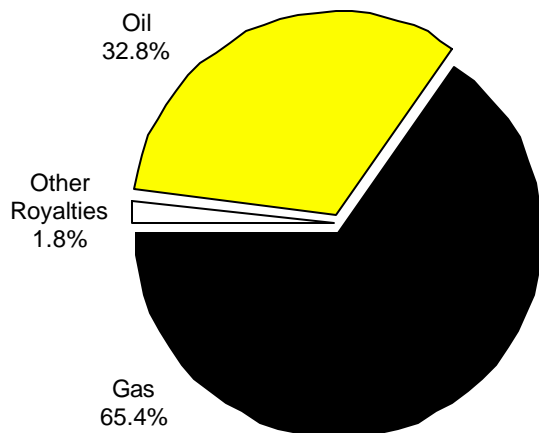
January - June, 1999

Figure 7. Revenues from Federal offshore mineral leases by source, January - June, 1999 and 2000



Gas	\$ 962,290,452
Oil	724,096,152
Other Royalties	67,315,444
Total	\$1,753,702,048

January - June, 2000



Gas	\$ 755,816,784
Oil	379,099,867
Other Royalties	20,406,305
Total	\$1,155,322,956

January - June, 1999

**Figure 8. Royalties from Federal offshore mineral leases by commodity,  
January - June, 1999 and 2000**

# Federal Onshore Mineral Revenues



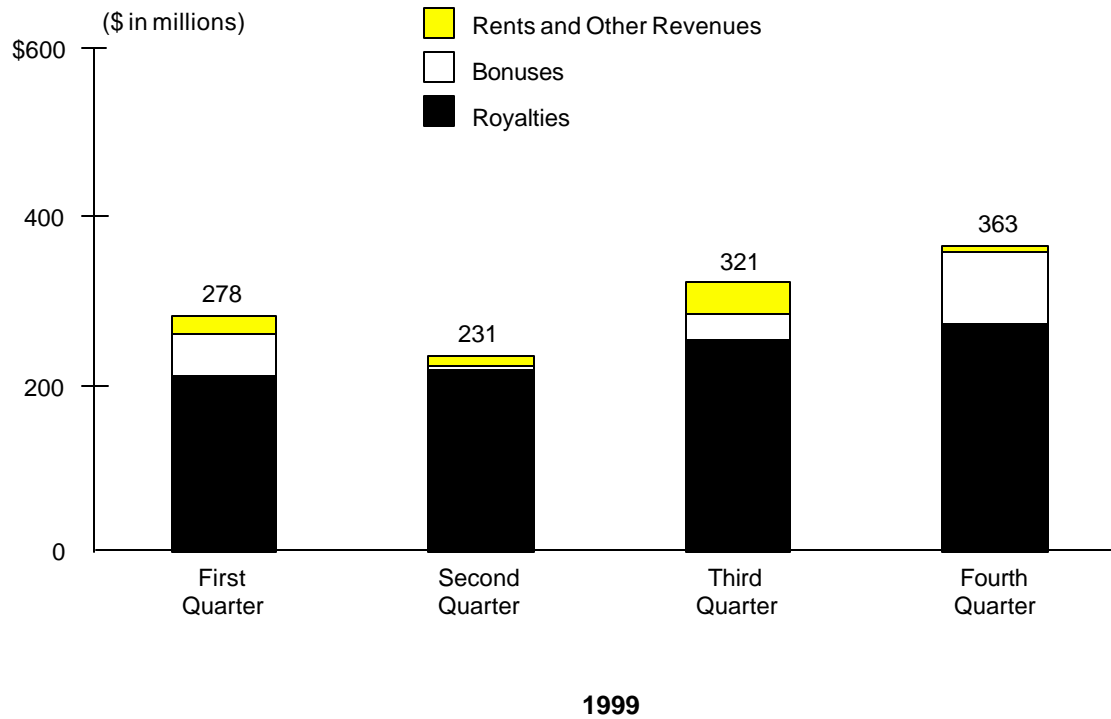
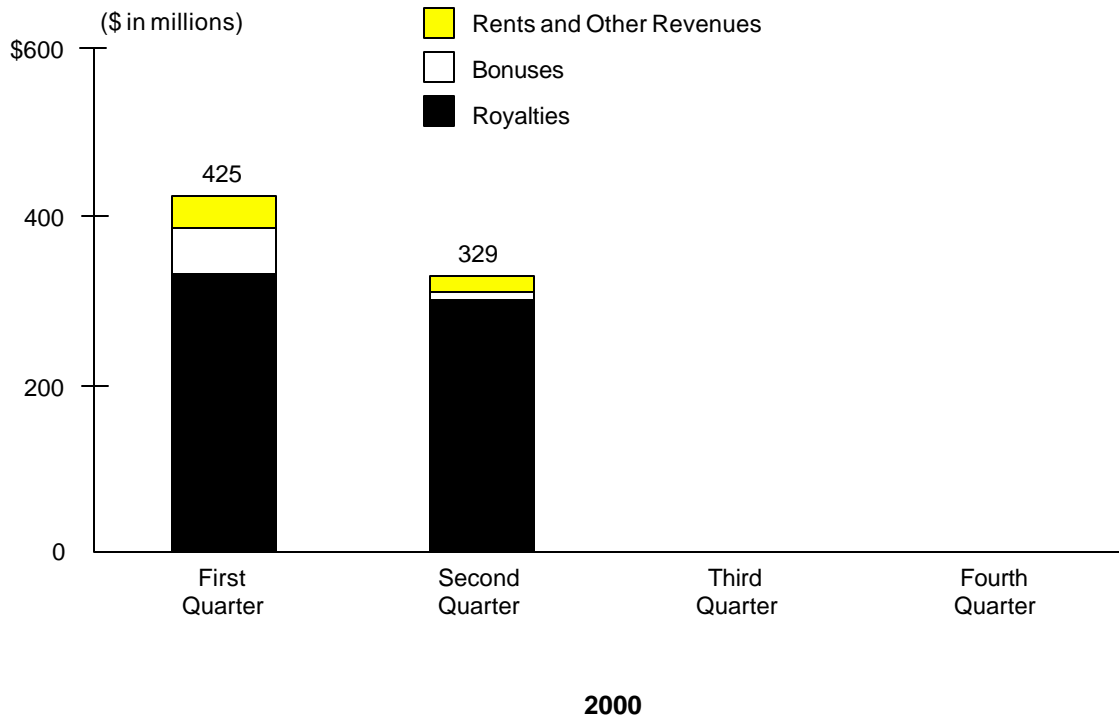
Photo courtesy of BP Amoco

**Table 8. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 2000**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 81,069,316	\$ 79,073,756	\$ ---	\$ ---	\$ 160,143,072
Gas Royalties . . . .	158,048,877	138,609,917	---	---	296,658,794
Oil Royalties . . . . .	67,645,806	58,325,806	---	---	125,971,612
Other Royalties . . .	<u>24,149,607</u>	<u>22,434,723</u>	<u>---</u>	<u>---</u>	<u>46,584,330</u>
Royalty Subtotal .	\$330,913,606	\$298,444,202	\$ ---	\$ ---	\$ 629,357,808
Rents . . . . .	\$ 10,615,669	\$ 9,089,349	\$ ---	\$ ---	\$ 19,705,018
Bonuses . . . . .	\$ 57,943,425	\$ 10,615,850	\$ ---	\$ ---	\$ 68,559,275
Other Revenues . .	<u>\$ 25,176,567</u>	<u>\$ 10,660,110</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 35,836,677</u>
<b>Total . . . . .</b>	<b>\$424,649,267</b>	<b>\$328,809,511</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 753,458,778</b>

**Table 9. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1999**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 77,563,220	\$ 80,155,729	\$ 77,089,347	\$ 76,952,365	\$ 311,760,661
Gas Royalties . . . .	98,993,431	85,719,638	112,972,171	124,230,449	421,915,689
Oil Royalties . . . . .	25,719,302	29,403,771	42,199,648	45,935,054	143,257,775
Other Royalties . . .	<u>18,578,177</u>	<u>17,242,145</u>	<u>17,856,847</u>	<u>23,051,562</u>	<u>76,728,731</u>
Royalty Subtotal .	\$220,854,130	\$212,521,283	\$250,118,013	\$270,169,430	\$ 953,662,856
Rents . . . . .	\$ 9,450,827	\$ 8,952,534	\$ 31,574,287	\$ (9,365,412)	\$ 40,612,236
Bonuses . . . . .	\$ 55,578,204	\$ 10,903,153	\$ 35,927,310	\$ 87,650,426	\$ 190,059,093
Other Revenues . .	<u>\$ (7,875,304)</u>	<u>\$ (1,425,672)</u>	<u>\$ 3,608,510</u>	<u>\$ 14,872,721</u>	<u>\$ 9,180,255</u>
<b>Total . . . . .</b>	<b>\$278,007,857</b>	<b>\$230,951,298</b>	<b>\$321,228,120</b>	<b>\$363,327,165</b>	<b>\$1,193,514,440</b>



**Figure 9. Revenues by source from Federal onshore mineral leases, by quarter, Calendar Years 1999 and 2000**

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 2000**

	Sales Volume	Sales Value	Royalties/ Revenues
<b><i>Carbon Dioxide</i></b>			
Colorado .....	109,810,190	\$ 70,238,060	\$ 4,169,665
New Mexico .....	4,959,704	2,284,353	286,854
Wyoming .....	<u>14,515,317</u>	<u>4,438,376</u>	<u>4,756</u>
Subtotal .....	129,285,211	\$ 76,960,789	\$ 4,461,275
<b><i>Clay</i></b>			
Alabama .....	25,300	\$ 50,600	\$ 2,024
Utah .....	<u>32,784</u>	<u>98,353</u>	<u>4,918</u>
Subtotal .....	58,084	\$ 148,953	\$ 6,942
<b><i>Coal</i></b>			
Alabama .....	295,772	\$ 13,894,338	\$ 1,028,181
Colorado .....	10,410,164	199,910,620	16,273,839
Kentucky .....	70,214	1,860,947	116,725
Montana .....	11,748,442	106,692,140	13,302,838
New Mexico .....	3,614,356	87,348,836	11,165,134
North Dakota .....	1,687,831	14,893,588	609,220
Oklahoma .....	399,024	11,406,310	350,700
Utah .....	10,734,652	223,931,596	13,536,138
Washington .....	897,610	22,602,117	1,616,873
Wyoming .....	<u>160,675,382</u>	<u>845,477,046</u>	<u>102,143,424</u>
Subtotal .....	200,533,447	\$1,528,017,538	\$160,143,072
<b><i>Cobalt</i></b>			
Missouri .....	6	\$ 12,028	\$ 433
<b><i>Copper</i></b>			
Missouri .....	7,693	\$ 3,083,193	\$ 103,381
<b><i>Gas</i></b>			
Alabama .....	445,476	\$ 1,084,404	\$ 132,100
Alaska .....	10,760,732	17,484,049	2,217,149
Arkansas .....	3,808,396	9,448,419	1,241,881
California .....	3,190,821	8,208,522	1,240,696
Colorado .....	35,373,860	82,009,711	9,665,316
Kansas .....	7,258,892	15,054,764	1,863,816
Kentucky .....	132,633	335,401	39,431
Louisiana .....	7,447,918	19,233,515	2,528,935
Michigan .....	2,164,753	5,575,126	710,282
Mississippi .....	382,339	841,500	106,012
Montana .....	8,006,818	17,922,392	2,147,664
New Mexico .....	588,767,211	1,357,486,873	157,537,963

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 2000 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Gas (cont.)</b>			
New York .....	9,708	\$ 28,442	\$ 3,549
North Dakota .....	3,230,470	6,296,556	695,008
Ohio .....	308,886	895,787	100,600
Oklahoma .....	8,454,709	17,466,600	2,183,325
Pennsylvania .....	78,424	180,434	22,428
South Dakota .....	168,599	327,078	39,827
Texas .....	21,836,993	46,949,535	5,657,419
Utah .....	42,708,589	101,382,552	11,893,803
Virginia .....	138,211	355,545	44,918
West Virginia .....	516,897	1,146,881	140,837
Wyoming .....	<u>355,998,769</u>	<u>837,197,224</u>	<u>96,445,835</u>
Subtotal .....	1,101,190,104	\$2,546,911,310	\$296,658,794
<b>Gas Lost</b>			
California .....	12,259	\$ 22,594	\$ 2,824
<b>Gas Plant Products</b>			
Alabama .....	86,920	\$ 29,628	\$ 3,722
Alaska .....	1,041,975	626,162	75,166
California .....	426,676	201,413	20,521
Colorado .....	29,688,657	8,312,824	718,228
Kansas .....	3,503,212	1,532,371	166,001
Louisiana .....	2,271,062	1,141,371	117,350
Michigan .....	750,642	263,047	28,830
Montana .....	1,756,692	981,686	71,355
New Mexico .....	462,574,232	175,880,414	16,060,117
North Dakota .....	918,611	386,305	39,447
Oklahoma .....	995,017	268,655	30,949
Texas .....	2,184,958	502,540	62,315
Utah .....	5,820,610	2,037,214	78,229
Wyoming .....	<u>205,422,315</u>	<u>80,798,899</u>	<u>6,584,990</u>
Subtotal .....	717,441,579	\$ 272,962,529	\$ 24,057,220
<b>Geothermal</b>			
California .....	4,152,308	\$ 17,315,125	\$ 2,173,195
Nevada .....	336,235	1,600,479	160,048
Utah .....	<u>437,156</u>	<u>953,001</u>	<u>95,300</u>
Subtotal .....	4,925,699	\$ 19,868,605	\$ 2,428,543



**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 2000 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b><i>Gilsonite</i></b>			
Utah . . . . .	6,950	\$ 1,463,398	\$ 95,017
<b><i>Hot Water</i></b>			
California . . . . .	2,693,009	\$ 4,578,116	\$ 457,841
Nevada . . . . .	5,426	24,362	2,436
New Mexico . . . . .	<u>6,192</u>	<u>7,430</u>	<u>743</u>
Subtotal . . . . .	2,704,627	\$ 4,609,908	\$ 461,020
<b><i>Langbeinite</i></b>			
New Mexico . . . . .	413,159	\$ 37,244,763	\$ 744,895
<b><i>Lead</i></b>			
Missouri . . . . .	150,326	\$ 65,763,278	\$ 1,335,299
<b><i>Limestone</i></b>			
Virginia . . . . .	8,531	\$ 73,540	\$ 3,677
<b><i>Magnesium</i></b>			
Utah . . . . .	19,339	\$ 289,323	\$ 7,538
<b><i>Nitrogen</i></b>			
North Dakota . . . . .	21,706	\$ 4,342	\$ 530
<b><i>Oil</i></b>			
Alabama . . . . .	36,755	\$ 911,428	\$ 113,054
Alaska . . . . .	185,778	4,694,119	581,759
Arkansas . . . . .	1,360	18,055	2,257
California . . . . .	11,387,292	224,285,843	12,340,461
Colorado . . . . .	2,436,045	64,296,550	7,842,238
Florida . . . . .	3,770	77,865	9,733
Illinois . . . . .	35,475	858,415	100,444
Kansas . . . . .	82,830	2,069,543	203,333
Kentucky . . . . .	5,441	135,566	1,828
Louisiana . . . . .	575,497	9,847,687	1,127,988
Michigan . . . . .	41,920	863,049	103,307
Mississippi . . . . .	339,909	7,395,861	768,754
Montana . . . . .	1,483,080	36,204,764	3,939,724
Nebraska . . . . .	28,778	693,481	84,689
Nevada . . . . .	318,211	6,765,927	798,619
New Mexico . . . . .	14,272,949	375,765,012	35,829,984
North Dakota . . . . .	3,122,786	77,520,041	9,886,847
Ohio . . . . .	18,196	383,372	17,500

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 2000 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b><i>Oil (cont.)</i></b>			
Oklahoma .....	93,060	\$ 2,396,263	\$ 239,315
Pennsylvania .....	487	9,187	113
South Dakota .....	103,533	2,628,112	328,701
Texas .....	267,384	6,317,086	722,029
Utah .....	1,775,592	43,141,455	4,375,925
West Virginia .....	8,496	211,127	26,391
Wyoming .....	<u>18,184,224</u>	<u>442,294,464</u>	<u>46,526,619</u>
Subtotal .....	54,808,848	\$1,309,784,272	\$125,971,612
<b><i>Oil Lost</i></b>			
California .....	52	\$ 857	\$ 48
New Mexico .....	129	1,461	183
Oklahoma .....	<u>7</u>	<u>147</u>	<u>18</u>
Subtotal .....	188	\$ 2,465	\$ 249
<b><i>Phosphate</i></b>			
Idaho .....	2,154,076	\$ 33,708,302	\$ 1,685,416
<b><i>Potash</i></b>			
New Mexico .....	731,602	\$ 74,163,806	\$ 1,483,276
Utah .....	<u>7,480</u>	<u>815,771</u>	<u>24,472</u>
Subtotal .....	739,082	\$ 74,979,577	\$ 1,507,748
<b><i>Purge Liquor</i></b>			
Wyoming .....	36,674	\$ 682,060	\$ 40,652
<b><i>Quartz Crystals</i></b>			
Arkansas .....	18,052	\$ 49,158	\$ 2,368
<b><i>Sand and Gravel</i></b>			
Nevada .....	882,992	\$ 3,991,122	\$ 195,565
<b><i>Sodium</i></b>			
Arizona .....	633	\$ 20,889	\$ 1,044
California .....	465,172	33,884,014	1,672,187
Colorado .....	42,967	5,655,481	282,639
New Mexico .....	591,898	1,177,878	58,767
Utah .....	2,523	22,084	662
Wyoming .....	<u>1,782,849</u>	<u>124,503,652</u>	<u>6,672,610</u>
Subtotal .....	2,886,042	\$ 165,263,998	\$ 8,687,909

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 2000 (cont.)**

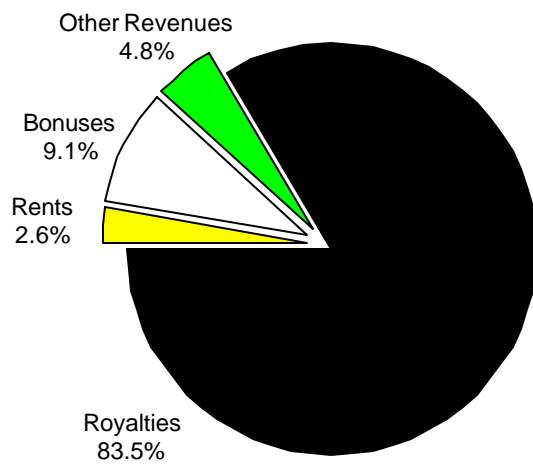
	Sales Volume	Sales Value	Royalties/ Revenues
<b><i>Sulfur</i></b>			
Alabama .....	112	\$ 3,658	\$ 458
California .....	199	1,336	67
Montana .....	487	4,208	200
New Mexico .....	7,522	50,023	2,156
North Dakota .....	3,000	7,531	784
Wyoming .....	<u>429,807</u>	<u>6,708,079</u>	<u>68,157</u>
Subtotal .....	441,127	\$ 6,774,835	\$ 71,822
<b><i>Trona Ore</i></b>			
Wyoming .....	3,945	\$ 222,246	\$ 11,124
<b><i>Zinc</i></b>			
Missouri .....	40,635	\$ 20,020,414	\$ 672,883
<b>Royalty Total .....</b>		<b>\$6,172,914,540</b>	<b>\$ 629,357,808</b>
<b><i>Rents</i></b>			
Alabama .....			\$ 5,408
Alaska .....			27,958
Arizona .....			123,101
Arkansas .....			147,814
California .....			289,650
Colorado .....			1,936,177
Florida .....			3,152
Idaho .....			(10,977)
Illinois .....			2,360
Kansas .....			(7,473)
Kentucky .....			6,515
Louisiana .....			155,162
Maryland .....			---
Michigan .....			7,357
Minnesota .....			1,199
Mississippi .....			227,345
Missouri .....			(162,360)
Montana .....			1,353,086
Nebraska .....			1,155
Nevada .....			1,102,166
New Mexico .....			1,490,128
North Dakota .....			408,673
Ohio .....			2,839
Oklahoma .....			71,842

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 2000 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Rents (cont.)</b>			
Oregon			\$ 76,545
Pennsylvania			11
South Dakota			122,967
Texas			121,175
Utah			2,261,541
Virginia			8,125
Washington			91,272
West Virginia			54,513
Wisconsin			---
Wyoming			<u>9,786,592</u>
<b>Rents Total</b>			<b>\$19,705,018</b>
<b>Bonuses</b>			
Alabama			\$ ---
Alaska			125,076
Arkansas			120
California			238,115
Colorado			2,242,172
Florida			4,036
Idaho			---
Kansas			12,115
Louisiana			55,000
Michigan			3,911
Mississippi			66,432
Montana			1,147,210
Nebraska			686
Nevada			25,802
New Mexico			8,841,050
North Dakota			175,709
Ohio			---
Oklahoma			92,921
Pennsylvania			14
Texas			49,960
Utah			1,461,098
Virginia			181,282
Washington			48,869
West Virginia			156,433
Wyoming			<u>53,631,264</u>
<b>Bonuses Total</b>			<b>\$68,559,275</b>

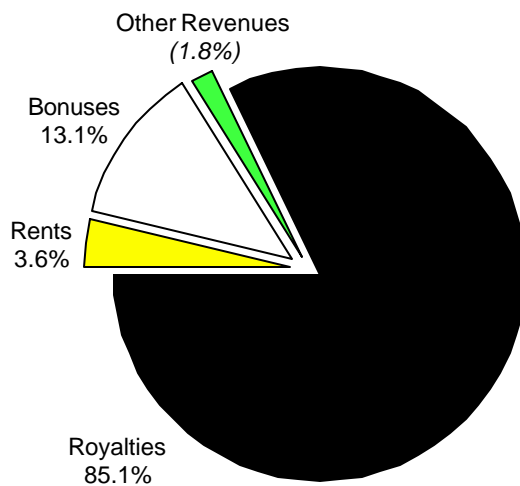
**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 2000 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Other Revenues</b>			
Alabama			\$ 20,694
Alaska			6,395
Arkansas			(3,843)
California			(194,906)
Colorado			4,390,065
Florida			2,053
Idaho			44,957
Illinois			(2,360)
Kansas			28,721
Kentucky			13,590
Louisiana			587,432
Maryland			876
Michigan			10,283
Minnesota			---
Mississippi			132,782
Missouri			20,526
Montana			3,121,081
Nebraska			9,299
Nevada			82,196
New Mexico			15,567,394
North Carolina			474
North Dakota			699,906
Ohio			1,459
Oklahoma			615
Pennsylvania			16,077
South Dakota			34,212
Texas			7,406
Utah			1,942,031
Virginia			1,065
West Virginia			29,353
Wyoming			<u>9,266,844</u>
<b>Other Revenues Total</b>			<b>\$ 35,836,677</b>
<b>Total Revenues</b>			<b>\$ 753,458,778</b>



Royalties	\$629,357,808
Rents	19,705,018
Bonuses	68,559,275
Other Revenues	35,836,677
<b>Total</b>	<b>\$753,458,778</b>

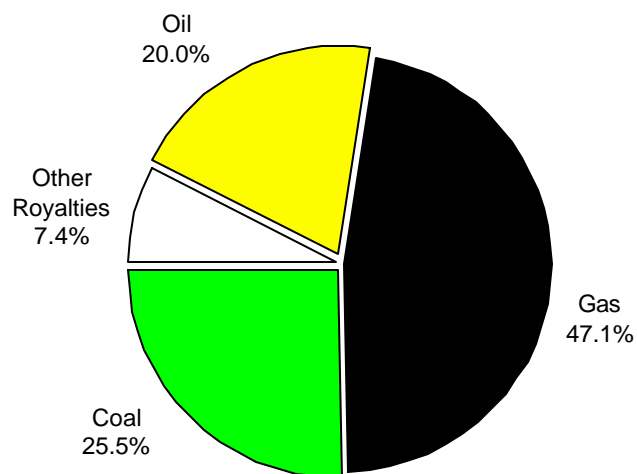
January - June, 2000



Royalties	\$433,375,413
Rents	18,403,361
Bonuses	66,481,357
Other Revenues	(9,300,976)
<b>Total</b>	<b>\$508,959,155</b>

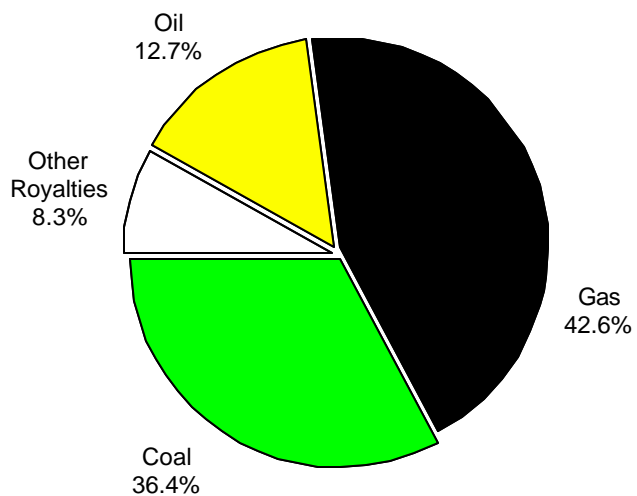
January - June, 1999

Figure 10. Revenues from Federal onshore mineral leases by source, January - June, 1999 and 2000



Coal	\$160,143,072
Gas	296,658,794
Oil	125,971,612
Other Royalties	46,584,330
<b>Total</b>	<b>\$629,357,808</b>

**January - June, 2000**



Coal	\$157,718,949
Gas	184,713,069
Oil	55,123,073
Other Royalties	35,820,322
<b>Total</b>	<b>\$433,375,413</b>

**January - June, 1999**

**Figure 11. Royalties from Federal onshore mineral leases by commodity, January - June, 1999 and 2000**

# American Indian Mineral Revenues



Photo courtesy of Corel Corporation



**Table 11. Revenues from American Indian mineral leases, by quarter, Calendar Year 2000**

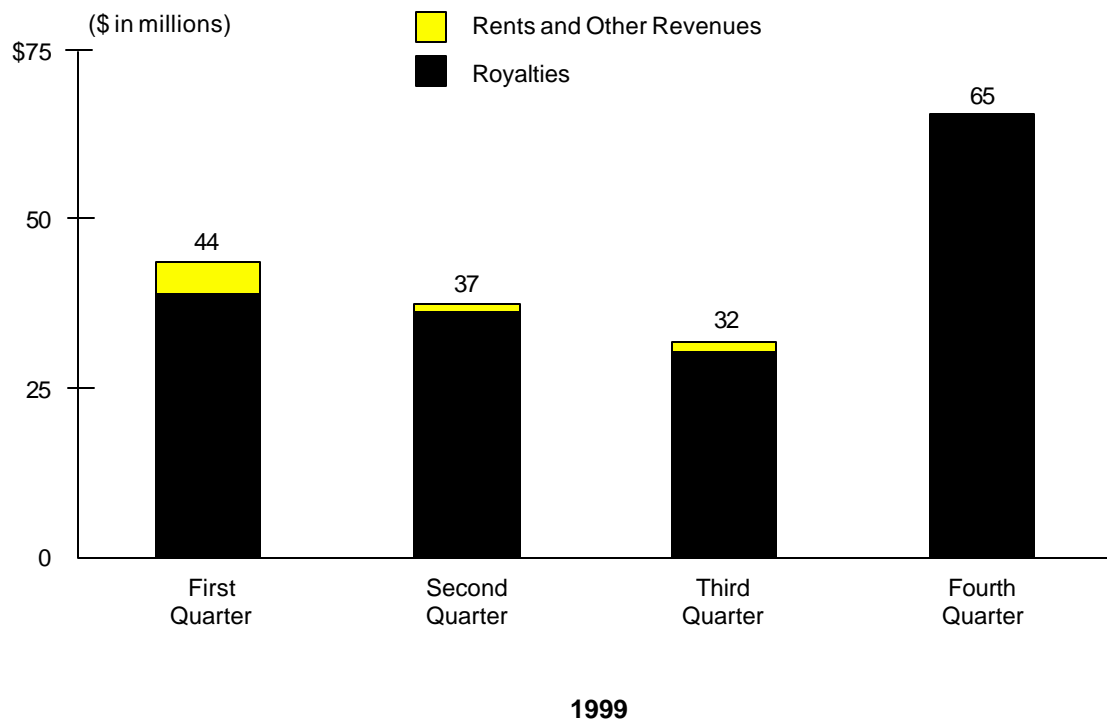
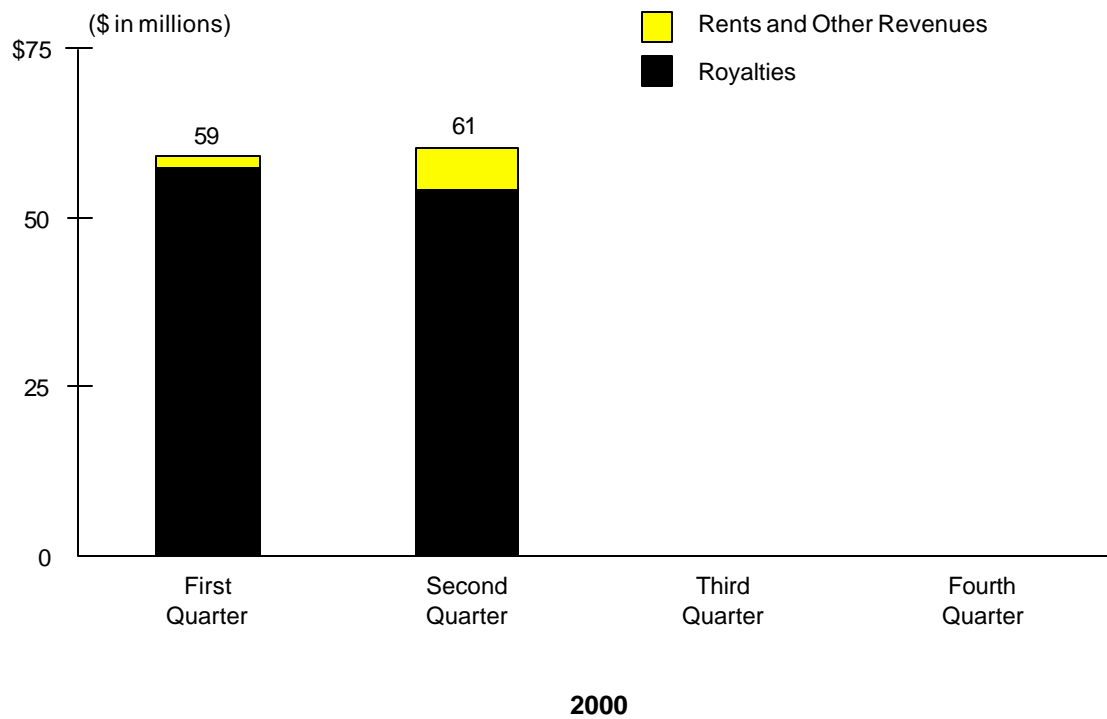
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . . .	\$15,846,164	\$14,586,462	\$ ---	\$ ---	\$ 30,432,626
Gas Royalties . . . . .	25,316,966	23,854,404	---	---	49,171,370
Oil Royalties . . . . .	13,151,784	11,673,454	---	---	24,825,238
Other Royalties . . . . .	<u>3,120,434</u>	<u>4,201,693</u>	<u>---</u>	<u>---</u>	<u>7,322,127</u>
Royalty Subtotal . . . . .	\$57,435,348	\$54,316,013	\$ ---	\$ ---	\$111,751,361
Rents . . . . .	\$ 198,506	\$ 175,180	\$ ---	\$ ---	\$ 373,686
Bonuses . . . . .	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues . . . . .	<u>\$ 1,556,086</u>	<u>\$ 6,226,333</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 7,782,419</u>
<b>Total . . . . .</b>	<b>\$59,189,940</b>	<b>\$60,717,526</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$119,907,466</b>

NOTE: American Indian bonuses are collected by the Bureau of Indian Affairs.

**Table 12. Revenues from American Indian mineral leases, by quarter, Calendar Year 1999**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . . .	\$15,995,586	\$16,495,856	\$ 5,121,170	\$23,019,391	\$ 60,632,003
Gas Royalties . . . . .	16,490,730	14,254,991	15,419,837	26,142,942	72,308,500
Oil Royalties . . . . .	5,112,888	3,468,040	7,976,661	11,866,070	28,423,659
Other Royalties . . . . .	<u>1,788,996</u>	<u>2,274,879</u>	<u>2,571,399</u>	<u>4,283,907</u>	<u>10,919,181</u>
Royalty Subtotal . . . . .	\$39,388,200	\$36,493,766	\$31,089,067	\$65,312,310	\$172,283,343
Rents . . . . .	\$ 274,338	\$ 228,833	\$ 34,003	\$ 393,257	\$ 930,431
Bonuses . . . . .	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues . . . . .	<u>\$ 4,103,871</u>	<u>\$ 695,717</u>	<u>\$ 691,848</u>	<u>\$ (415,888)</u>	<u>\$ 5,075,548</u>
<b>Total . . . . .</b>	<b>\$43,766,409</b>	<b>\$37,418,316</b>	<b>\$31,814,918</b>	<b>\$65,289,679</b>	<b>\$178,289,322</b>

NOTE: American Indian bonuses are collected by the Bureau of Indian Affairs.



**Figure 12. Revenues by source from American Indian mineral leases, by quarter, Calendar Years 1999 and 2000**

**Table 13. Summary of royalties, rents, and other revenues from American Indian mineral leases, January - June, 2000**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Coal</b>			
Arizona .....	6,504,986	\$ 138,142,112	\$17,461,163
Montana .....	4,802,378	32,250,297	2,322,923
New Mexico .....	<u>4,403,197</u>	<u>85,548,089</u>	<u>10,648,540</u>
Subtotal .....	15,710,561	\$ 255,940,498	\$30,432,626
<b>Copper</b>			
Arizona .....	50,150	\$ 15,387,851	\$ 1,019,807
<b>Gas</b>			
Arizona .....	7,973	\$ 18,829	\$ 3,408
Colorado .....	94,792,467	190,117,935	27,729,183
Montana .....	798,490	1,817,132	302,108
New Mexico .....	26,663,487	66,923,097	8,901,375
North Dakota .....	181,250	215,412	30,191
Oklahoma .....	9,874,003	24,465,601	4,273,528
Texas .....	4,510,061	12,401,850	2,385,696
Utah .....	4,285,264	12,257,849	1,931,851
Wyoming .....	<u>9,829,829</u>	<u>21,862,219</u>	<u>3,614,030</u>
Subtotal .....	150,942,824	\$ 330,079,924	\$49,171,370
<b>Gas Lost</b>			
Montana .....	28,732	\$ 65,074	\$ 8,134
New Mexico .....	<u>79,471</u>	<u>130,966</u>	<u>21,833</u>
Subtotal .....	108,203	\$ 196,040	\$ 29,967
<b>Gas Plant Products</b>			
Colorado .....	2,618,880	\$ 1,044,548	\$ 115,827
Montana .....	95,139	39,962	5,027
New Mexico .....	51,417,263	20,498,025	2,221,377
North Dakota .....	864,846	374,858	21,771
Oklahoma .....	6,075,055	1,336,512	223,437
Texas .....	7,724,303	3,795,414	527,560
Utah .....	4,739,698	2,186,632	239,945
Wyoming .....	<u>802,527</u>	<u>393,911</u>	<u>52,981</u>
Subtotal .....	74,337,711	\$ 29,669,862	\$ 3,407,925
<b>Gypsum</b>			
New Mexico .....	323,940	\$ 1,295,760	\$ 314,740

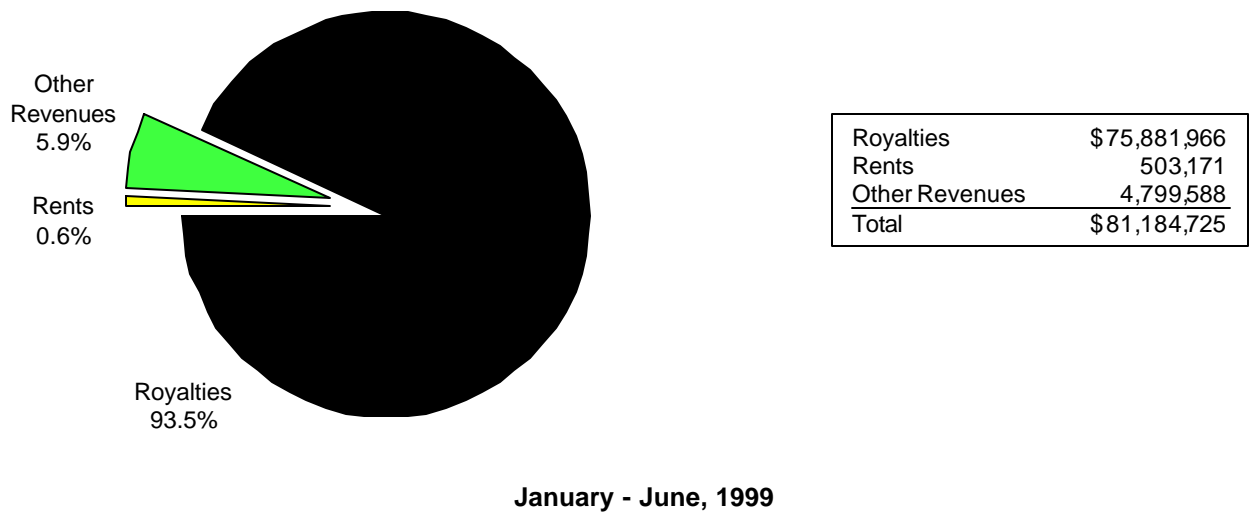
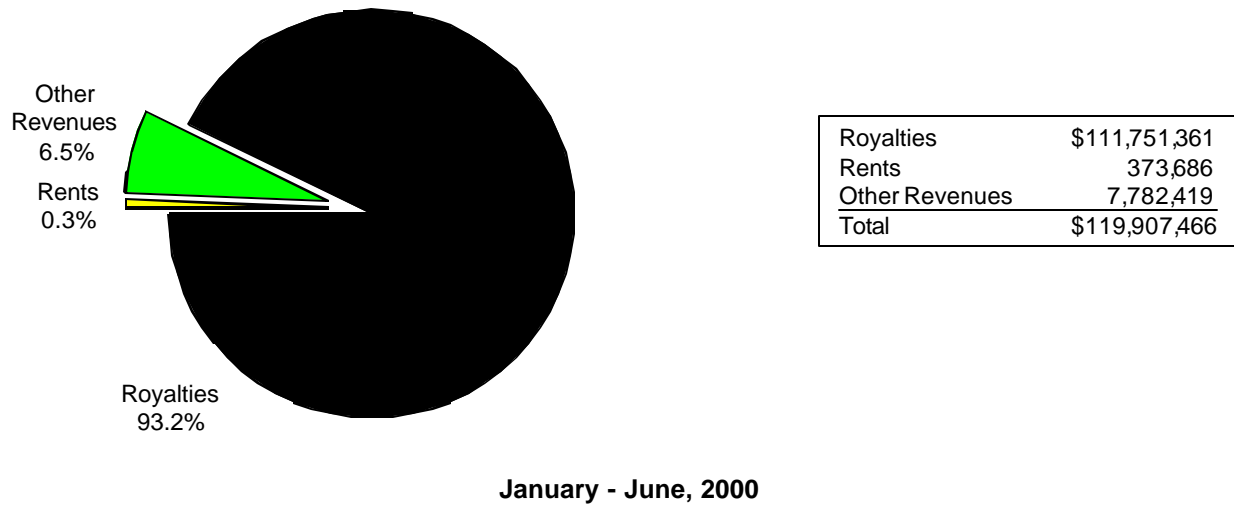
**Table 13. Summary of royalties, rents, and other revenues from American Indian mineral leases, January - June, 2000 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b><i>Oil</i></b>			
Arizona .....	15,627	\$ 394,092	\$ 65,733
Colorado .....	43,497	1,114,666	165,420
Michigan .....	444	5,490	763
Montana .....	321,333	7,800,137	1,210,802
New Mexico .....	338,903	8,143,829	1,114,472
North Dakota .....	39,069	979,335	144,678
Oklahoma .....	686,519	16,165,486	2,426,605
South Dakota .....	1,456	27,392	5,478
Texas .....	223,466	5,972,002	1,170,569
Utah .....	3,538,260	89,301,307	13,602,790
Wyoming .....	<u>1,066,113</u>	<u>24,508,592</u>	<u>4,917,928</u>
Subtotal .....	6,274,687	\$154,412,328	\$ 24,825,238
<b><i>Oil Lost</i></b>			
Colorado .....	24	\$ 443	\$ 55
<b><i>Sand and Gravel</i></b>			
Arizona .....	1,610,904	\$ 7,313,505	\$ 1,291,565
California .....	654,619	3,227,272	624,386
Colorado .....	27,695	96,933	18,832
Nevada .....	429,036	2,110,857	218,808
New Mexico .....	366,482	1,007,826	254,770
Oklahoma .....	5,438	5,438	3,508
Utah .....	29,653	113,571	16,501
Washington .....	<u>182,938</u>	<u>611,013</u>	<u>114,061</u>
Subtotal .....	3,306,765	\$ 14,486,415	\$ 2,542,431
<b><i>Silica Sand</i></b>			
Arizona .....	16,298	\$ 366,705	\$ 7,171
<b><i>Sulfur</i></b>			
North Dakota .....	77	\$ 246	\$ 31
<b>Total Royalties .....</b>		<b>\$801,836,072</b>	<b>\$111,751,361</b>

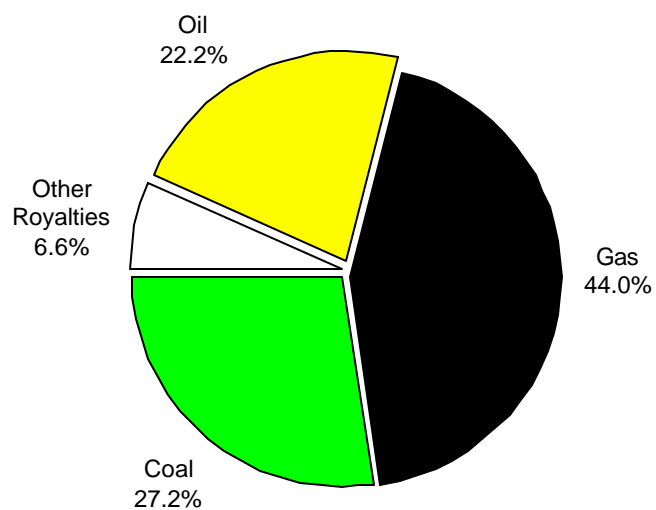
**Table 13. Summary of royalties, rents, and other revenues from American Indian mineral leases, January - June, 2000 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Rents</b>			
Arizona . . . . .			\$ (2,948)
Colorado . . . . .			21,619
Idaho . . . . .			---
Michigan . . . . .			120
Montana . . . . .			20,852
New Mexico . . . . .			196,042
North Dakota . . . . .			4,943
Oklahoma . . . . .			70,557
South Dakota . . . . .			---
Utah . . . . .			47,130
Wyoming . . . . .			15,371
<b>Rents Total . . . . .</b>			<b>\$ 373,686</b>
<b>Other Revenues</b>			
Arizona . . . . .			\$ 300,000
California . . . . .			18,211
Colorado . . . . .			1,401,097
Idaho . . . . .			---
Michigan . . . . .			---
Montana . . . . .			118,481
Nevada . . . . .			2,610
New Mexico . . . . .			(229,525)
North Dakota . . . . .			26,514
Oklahoma . . . . .			422,784
Texas . . . . .			---
Utah . . . . .			948,064
Washington . . . . .			---
Wyoming . . . . .			4,774,183
<b>Other Revenues Total . . . . .</b>			<b>\$ 7,782,419</b>
<b>Total Revenues . . . . .</b>			<b>\$119,907,466</b>

NOTE: This table does not include sales volume, sales value, or revenues for American Indian nonstandard leases and agreements.

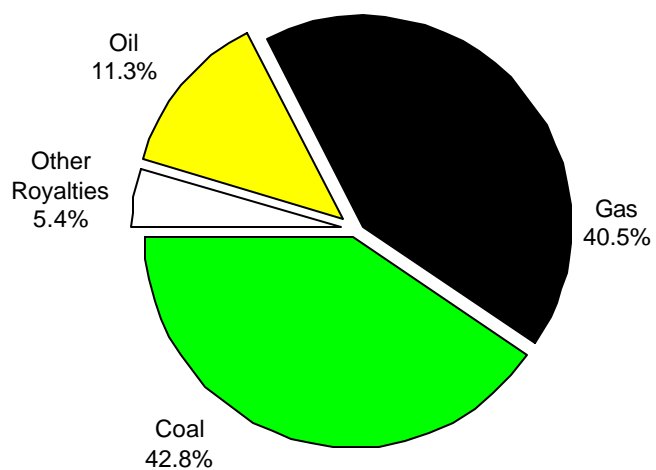


**Figure 13. Revenues from American Indian mineral leases by source, January - June, 1999 and 2000**



Coal	\$ 30,432,626
Gas	49,171,370
Oil	24,825,238
Other Royalties	7,322,127
<b>Total</b>	<b>\$111,751,361</b>

January - June, 2000



Coal	\$32,491,442
Gas	30,745,721
Oil	8,580,928
Other Royalties	4,063,875
<b>Total</b>	<b>\$75,881,966</b>

January - June, 1999

**Figure 14. Royalties from American Indian mineral leases by commodity, January - June, 1999 and 2000**

# Glossary

**Acquired lands** — Lands in Federal ownership that the Government obtained by deed through purchase, gift, exchange, or condemnation proceedings.

**American Indian allotment** — An allocation of a parcel of public lands or American Indian reservation lands to an American Indian for individual use. Revenue from mineral production from leases on American Indian allotments is paid to the individual American Indian allottee. See **American Indian allottee**.

**American Indian allottee** — Any American Indian who holds title to land or an interest in land subject to Federal restrictions against alienation. See **American Indian allotment**.

**American Indian land** — Lands owned by American Indians, including either Tribal lands held in trust by the United States or subject to Federal restrictions against alienation, or allotted land owned by an individual American Indian with Federal restrictions against alienation. The Bureau of Indian Affairs monitors American Indian leases.

**Auditing and Financial System** — A computer system application operated by the Minerals Management Service for collecting and disbursing royalties from producing leases and rents from nonproducing leases on Federal and American Indian lands.

**Barrel/bbl** — A measure of volume for petroleum products. One barrel is equivalent to 42 U.S. gallons or 0.1589 cubic meters. One cubic meter equals 6.293 barrels.

**BIA** — Bureau of Indian Affairs. A Federal agency within the U.S. Department of the Interior responsible for facilitating the full development of the human and natural resource potential of American Indian and Alaskan Native people to manage their own affairs under a trust relationship with the Federal Government.

**Bonus** — The cash consideration paid to the United States by the successful bidder for a mineral lease. The payment is made in addition to the rent and royalty obligations specified in the lease.

**Bureau of Land Management** — A Federal agency within the U.S. Department of the Interior that administers public lands and natural resources. Bureau of Land Management programs provide for the protection, orderly development, and use of public lands and resources under principles of multiple use and sustained yield.

**Business Information System** — A computer system application operated by the Minerals Management Service. The Business Information System is an enhanced version of the former State and Tribal Support System and is compatible with the post-Business Systems Planning Implementation architecture. The Business Information System provides States, American Indian Tribes, and other Federal agencies with access to Auditing and Financial System data and selected Production Accounting and Auditing System data.

**Competitive leasing** — The Federal Government issues leases on Federal onshore lands where there are known mineral deposits, or where inference of probable mineralization may be derived from knowledge of the geology of the land. The lands are offered for lease by competitive bidding following publication of the offer of the lands for lease. The lease is issued to the highest bidder at a sale by public auction. The Federal Government offers leases of certain Outer Continental Shelf tracts by competitive sealed bid. The bids are received, announced, and recorded, and the lease is generally issued to the highest bidder. See **Noncompetitive leasing**.

**Cook Inlet Region, Inc.** — One of 12 regional corporations established by the Alaska Native Claims Settlement Act in 1971 to manage real property and capital assets paid as compensation for the aboriginal land rights of Alaska Natives. The Cook Inlet Region,



Inc., maintains land holdings containing significant proven reserves of oil, natural gas, coal, and other mineral commodities.

**Department of the Interior** — A Cabinet-level department in the Executive Branch of the Federal Government responsible for the administration of most of the nationally owned public lands and natural resources. The Department of the Interior is further responsible for American Indian reservation communities and for individuals who live in Island Territories under U.S. administration.

**DOE** — U.S. Department of Energy. A Cabinet-level department in the Executive Branch of the Federal Government responsible for coordinating a comprehensive and balanced national energy plan. The Department of Energy is responsible for long-term research and development of energy technology; marketing Federal power; energy conservation; the nuclear weapons program; and a central energy data collection and analysis program.

**Effective date** — The date a lease or assignment becomes effective. The effective date for a lease is the first day of the month after the issue date or, upon applicant request, the first day of the month of issuance. The effective date for an assignment is the first day of the month after proper filing of all required documents.

**Explanation of payment reports** — A series of reports produced by the Minerals Management Service Royalty Management Program, mailed twice each month to American Indian Tribes and once each month to States. The reports for individual American Indian allotted tract mineral owners are produced and distributed twice each month by the Bureau of Indian Affairs with information supplied by the Royalty Management Program. The reports address the source and nature of mineral revenue disbursements.

**Federal land** — All land and interests in land owned by the Federal Government, including Outer Continental Shelf, public domain, acquired, and military lands.

**Federal Oil and Gas Royalty Management Act of 1982** — Federal Oil and Gas Royalty Management

Act of 1982, 30 U.S.C. 1701 *et seq.* Public Law 97-451 enacted to ensure that royalties from oil and gas produced from Federal and American Indian lands and the Outer Continental Shelf are properly collected and accounted for under the direction of the Secretary of the Interior.

**Federal Oil and Gas Royalty Simplification and Fairness Act, 110 Stat. 1700** — Public Law 104-185 enacted to amend the Federal Oil and Gas Royalty Management Act of 1982 and revise Minerals Management Service procedures in several respects. See **Federal Oil and Gas Royalty Management Act of 1982**.

**FY** — Fiscal Year. A period of time used for accounting purposes. The Federal Government recognizes a fiscal year that begins October 1 of one year and ends September 30 of the following year.

**Lease** — A legal document executed between a landowner, as lessor, and a company or individual, as lessee, that conveys the right to exploit the premises for minerals or other products for a specified period of time over a given area.

**LWCF** — Land and Water Conservation Fund. The Land and Water Conservation Act of 1965 created a fund, currently administered by the National Park Service, to provide revenues for the Federal Government, State governments, and local governments to purchase parks and recreation areas and to plan, acquire, and develop land and water resources for recreational use. Approximately 10-30 percent of the legislated yearly minimum of \$900 million is provided through revenues from surplus property sales and receipts from the motorboat fuels tax. The remaining 70-90 percent of the legislated yearly minimum is provided from offshore mineral leasing under the provisions of the Outer Continental Shelf Lands Act, as amended.

**Mcf** — Thousand cubic feet.

**Military acquired lands** — Lands acquired with military funds under military acquisition laws.

**Mineral** — Naturally occurring organic or inorganic substances with characteristics and uses that bring

them within the purview of mineral laws. Minerals may be obtained under applicable laws from public lands by purchase, lease, or preemptive entry.

**Mineral Leasing Act for Acquired Lands of 1947, as amended, 30 U.S.C. 351 *et seq.*** — An act that extends mineral leasing laws, including the Mineral Leasing Act of 1920 and subsequent amendments, to all lands acquired by the United States, and authorizes mineral leasing on those lands. Mineral leases on acquired lands cannot be issued without the concurrence of the acquiring agency. The act requires disbursement of mineral receipts from acquired lands in the manner prescribed by legislation governing the type of land in question, including acquired national grasslands, and acquired national forest lands. See **MLA**.

**Minimum royalty** — An annual payment, on a per-acre basis, required to maintain the rights to a lease until production exceeds a minimum value. Once annual production exceeds the minimum value, minimum royalty payments are no longer required in that lease year.

**MLA** — Mineral Leasing Act of 1920, as amended, 30 U.S.C. 181 *et seq.* An act, with subsequent amendments, that promotes the production of coal, gas, oil, oil shale, phosphate, potassium, and sodium on Federal public domain lands. The act establishes procedures to explore and develop each of these minerals and specifies terms and conditions for issuing permits and leases. Rental and royalty terms are specified for each mineral, and general conditions are established for pipeline right-of-way, lease diligence, royalty disposition, and holding restrictions. The act requires sharing royalty and other lease revenues with the States. The Secretary of the Interior is authorized to promulgate rules and regulations to implement and enforce the act.

**MMS** — Minerals Management Service. A Federal agency within the U.S. Department of the Interior that administers the Offshore Minerals Management Program and the Royalty Management Program. The Offshore Minerals Management Program is responsible for the Outer Continental Shelf leasing program and for ensuring that exploration and production of the Nation's offshore mineral resources is conducted in a

safe manner with concern for the environment. The Royalty Management Program is responsible for the accurate and timely determination, collection, and distribution of royalties from Federal and American Indian lands, and bonuses and rents from Federal lands.

**NHPF** — National Historic Preservation Fund. A fund, currently administered by the National Park Service, designed to expand and accelerate historic preservation plans and activities. NHPF provides revenues for matching grants-in-aid to States and local governments, and funds the National Trust for Historic Preservation. Offshore mineral leasing provided 100 percent of fund revenues through Fiscal Year 1997.

**Noncompetitive leasing** — Leases issued to qualified applicants for land not specifically known or presumed to contain mineral or petroleum deposits in quantity. See **Competitive leasing**.

**OCS** — Outer Continental Shelf. All submerged lands seaward and outside the area of lands beneath navigable waters. Lands beneath navigable waters are interpreted as extending from the coastline 3 nautical miles into the Arctic Ocean, the Atlantic Ocean, the Pacific Ocean, and the Gulf of Mexico, excluding the coastal waters off Texas and western Florida. Lands beneath navigable waters are interpreted as extending from the coastline 3 marine leagues into the Gulf of Mexico off Texas and western Florida.

**OCSLA** — Outer Continental Shelf Lands Act of 1953, as amended, 43 U.S.C. 1331 *et seq.* An act that establishes procedures for U.S. jurisdiction over Outer Continental Shelf lands and authorizes the Secretary of the Interior to issue exploration permits and mineral leases for oil, gas, sulfur, and other mineral resources on those lands. The Secretary is authorized to implement alternative bidding systems, including net profit share leases, to promote development of marginal oil and gas deposits. Significant amendments were enacted into the original law in 1978 and 1985. See **Net profit share lease**.

**OPEC** — Organization of Petroleum Exporting Countries. A cartel whose current members include: Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria,

Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

**Operator** — The individual, partnership, firm, or corporation having control or management of operations on a leased area or a portion thereof. The operator may be the lessee, designated agent of the lessee, a holder of rights under an approved operation agreement, or an agent of an operating rights holder.

**OTFM** — Office of Trust Funds Management. An office within the U.S. Department of the Interior responsible for the management and investment of Tribal and American Indian trust funds for the Office of Special Trustee for American Indians.

**Production Accounting and Auditing System** — An integrated system of both automated and manual applications operated by the Minerals Management Service to collect production and other operational data, and to ensure that royalties are paid on 100 percent of reported production.

**Public lands** — Any land and interest in land owned by the United States and administered by the Secretary of the Interior through the Bureau of Land Management and the Minerals Management Service, without regard to the manner through which the United States acquired ownership, except (1) lands located on the Outer Continental Shelf, and (2) lands held for the benefit of American Indians, Aleuts, and Eskimos. The Bureau of Land Management considers acquired lands to be a category of public lands. The Minerals Management Service distinguishes public domain lands from acquired lands for purposes of various statutory revenue distributions. See **Acquired lands**.

**Rent** — Periodic payments made by the holder of a lease, during the primary lease term, for the right to use the land or resources for purposes established in the lease.

**Report month** — The month in which the Minerals Management Service receives production, sales, or royalty reports from operators and lessees.

**Royalty** — Payment, in value (money) or in kind (a volume of the commodity), of a stated proportionate interest in production from mineral deposits by the lessees to the lessor. The royalty rate may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-scale royalty rate is based on average production and applies to all production from the lease.

**Royalty-in-kind** — A program operated under the provisions of the Mineral Leasing Act of 1920 and the Outer Continental Shelf Lands Act of 1953. The Federal Government, as lessor, may take part or all of its oil and gas royalties in kind (a volume of the commodity) as opposed to in value (money). Under the oil royalty-in-kind program, the Government sells oil at fair market value to eligible refiners who do not have access to an adequate supply of crude oil at equitable prices. The Minerals Management Service conducted a gas royalty-in-kind pilot program in 1995, entering into contracts to sell selected Gulf of Mexico natural gas by competitive bid to gas marketers. Two additional oil and gas pilot programs began in 1998, and a third gas pilot program began in 1999.

**Royalty Management Program** — See **MMS**.

**Sales value** — Proceeds received for the sale of a mineral.

**Sales volume** — The volume of mineral production measured at the royalty settlement point determined by the Bureau of Land Management for onshore production and the Minerals Management Service for offshore production.

**Treasury** — U.S. Department of the Treasury. A Cabinet-level department in the Executive Branch of the Federal Government responsible for the financial resources of the United States. The Treasury is responsible for regulating national banks, determining international economic policy, collecting income taxes and customs duties, reporting Government daily financial transactions, and manufacturing coins and bills for circulation.

# Appendix

## Inch-Pound/Metric Conversion

Measurements in this report use English (inch-pound) units. Federal and industry organizations are moving toward International System Units, often referred to as metric units. The following table provides factors for converting measurements to inch-pound or metric units. To obtain the metric equivalent, multiply the inch-pound unit by the conversion factor. To obtain the inch-pound equivalent, multiply the metric unit by the conversion factor.

<b>To convert from inch-pound unit</b>	<b>Multiply by</b>	<b>To equal metric unit</b>
acre . . . . .	0.4047 . . . . .	hectare
barrel (42 U.S. gallons) . . . . .	0.1589 . . . . .	cubic meter
barrel (42 U.S. gallons) . . . . .	0.136 . . . . .	metric ton
cubic foot . . . . .	0.0283 . . . . .	cubic meter
gallon . . . . .	3.785 . . . . .	liter
mile . . . . .	1.609 . . . . .	kilometer
ton, long (2,240 U.S. lb.) . . . . .	1.016 . . . . .	metric ton
ton, short (2,000 U.S. lb.) . . . . .	0.9072 . . . . .	metric ton
<b>To convert from metric unit</b>	<b>Multiply by</b>	<b>To equal inch-pound unit</b>
cubic meter . . . . .	6.293 . . . . .	barrel (42 U.S. gallons)
cubic meter . . . . .	35.33 . . . . .	cubic foot
hectare . . . . .	2.471 . . . . .	acre
kilometer . . . . .	0.6215 . . . . .	mile
liter . . . . .	0.2642 . . . . .	gallon
metric ton . . . . .	7.33 . . . . .	barrels (42 U.S. gallons)
metric ton . . . . .	0.9843 . . . . .	long ton (2,240 U.S. lb.)
metric ton . . . . .	1.1023 . . . . .	short ton (2,000 U.S. lb.)



As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. This includes fostering sound use of our land and water resources; protecting our fish, wildlife, and biological diversity; preserving the environmental and cultural values of our national parks and historical places; and providing for the enjoyment of life through outdoor recreation. The Department assesses our energy and mineral resources and works to ensure that their development is in the best interests of all our people by encouraging stewardship and citizen participation in their care. The Department also has a major responsibility for American Indian reservation communities and for people who live in island territories under U.S. administration.



As a bureau of the Department of the Interior, the Minerals Management Service's (MMS) primary responsibilities are to manage the mineral resources located on the Nation's Outer Continental Shelf (OCS), collect revenue from the Federal OCS and onshore Federal and Indian lands, and distribute those revenues.

Moreover, in working to meet its responsibilities, the **Offshore Minerals Management Program** administers the OCS competitive leasing program and oversees the safe and environmentally sound exploration and production of our Nation's offshore natural gas, oil and other mineral resources. The MMS **Royalty Management Program** meets its responsibilities by ensuring the efficient, timely and accurate collection and disbursement of revenue from mineral leasing and production due to Indian tribes and allottees, States and the U.S. Treasury.

The MMS strives to fulfill its responsibilities through the general guiding principles of: (1) being responsive to the public's concerns and interests by maintaining a dialogue with all potentially affected parties and (2) carrying out its programs with an emphasis on working to enhance the quality of life for all Americans by lending MMS assistance and expertise to economic development and environmental protection.